

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re:

CELSIUS NETWORK LLC, *et al.*,<sup>1</sup>

Debtors.

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)  
) Chapter 11  
)

) Case No. 22-10964 (MG)  
)

) (Jointly Administered.)  
)

**DECLARATION AND VERIFIED EXHIBITS IN SUPPORT OF DANIEL A.  
FRISHBERG’S MOTION FOR RECONSIDERATION OF GK8 SALE AND  
OTHER REQUESTED RELIEF**

I, Daniel A. Frishberg, hereby declare under penalty of perjury as follows:

1. I submit this declaration and the attached exhibits in support of my *Motion For Reconsideration of GK8 Sale and Other Request Relief*, Docket No. 1794, and my omnibus objection to professional fees, filed contemporaneously forthwith.
2. Celsius has baselessly questioned the authenticity of the “*Declaration of Jonathan Levy*,” stating in a January 2, 2023 email to me that “while we do not doubt Dr. Levy’s existence, we question the origination and authenticity of his purported declaration.” While their conspiracy theory is completely without merit, for avoidance of doubt, I certify that the “*Declaration of Jonathan Levy*” (which is attached to this filing as Exhibit F), is a true, correct, and authentic copy of the declaration, and that I obtained it directly from Dr. Levy

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Celsius Network LLC (2148); Celsius KeyFi LLC (4414); Celsius Lending LLC (8417); Celsius Mining LLC (1387); Celsius Network Inc. (1219); Celsius Network Limited (8554); Celsius Networks Lending LLC (3390); and Celsius US Holding LLC (7956). The location of Debtor Celsius Network LLC’s principal place of business and the Debtors’ service address in these chapter 11 cases is 121 River Street, PH05, Hoboken, New Jersey 07030.

(via electronic mail) on December 23, 2022. I also certify that my original “*Declaration of Jonathan Levy*” contained in Docket No. 1784 is identical to the one attached to this declaration. Dr. Levy has since shared his declaration publically (on Telegram) and made his declaration widely available to assist Celsius customers in filing claims.

3. I went to “The Wayback Machine,” a site that archives websites at <http://web.archive.org>.

They describe themselves as follows:

- a. The Internet Archive, a 501(c)(3) non-profit, is building a digital library of Internet sites and other cultural artifacts in digital form. Like a paper library, we provide free access to researchers, historians, scholars, people with print disabilities, and the general public. Our mission is to provide Universal Access to All Knowledge.
- b. We began in 1996 by archiving the Internet itself, a medium that was just beginning to grow in use. Like newspapers, the content published on the web was ephemeral - but unlike newspapers, no one was saving it. Today we have 25+ years of web history accessible through the Wayback Machine and we work with 950+ libraries and other partners through our Archive-It program to identify important web pages.

4. At “The Wayback Machine,” I typed in the website “celsius.network” and set the date as “July 6th, 2022” and was given this page:

<https://web.archive.org/web/20220706115229/https://celsius.network/>

5. The above page shows that on July 6, 2022, Celsius was advertising “**\$750m in insurance.**” The July 6 image in **Exhibit A** is a true and correct copy of the output from

the Wayback Machine, and consistent with my memory of the website, pre-pause.

6. At “The Wayback Machine,” I typed in the website “celsius.network” and set the date as “June 4, 2022” and was given this page:

<https://web.archive.org/web/20220606133917/https://celsius.network/>

7. The above page shows that on June 4, 2022, Celsius was advertising “**\$750m in insurance for assets in GK8.**” The June 4 image in **Exhibit A** is a true and correct copy of the output from the Wayback Machine, and consistent with my memory of the website, pre-pause.
8. At “The Wayback Machine,” when I put in May 29, 2022 as the archive date, I am given this page <https://web.archive.org/web/20220529162354/https://celsius.network/> which was **not** advertising insurance. The May 29 image in **Exhibit A** is a true and correct copy of the output from the Wayback Machine.
9. My investigation (above) using the Wayback Machine shows that some time between May 29, 2022, and June 4, 2022, Celsius updated their homepage to advertise \$750 million in “insurance for assets in GK8,” and then edited the website once more to advertise \$750 million in “insurance” (removing the reference to GK8), some time on or before July 6.
10. Celsius now claims that the insurance (up to \$750 million) was only *theoretically* available under a “referral arrangement” but that “Neither Celsius nor GK8 ever purchased any insurance policy under the referral arrangement” (See Docket No. 1806, *Letter Regarding Daniel Frishberg’s Motion for Reconsideration of GK8 Sale and Other Requested Relief.*)
11. To the best of my knowledge, this admission by Celsius means that either the claims on

Celsius' website of “\$750m in insurance for assets in GK8” and “\$750m in insurance” were *completely false* and *without any basis*, before Celsius filed for bankruptcy (which indicates pre-petition fraudulent misrepresentation to its customers and/or insurance fraud to entice customers such as myself into leaving their deposits on the platform) or, Celsius is lying to this court, or at least omitting relevant information, which would be *bankruptcy fraud*. As this declaration shows, until about a week before the petition, the Debtors were still advertising \$750 million in insurance.

12. Today, January 4, 2023, I went to the GK8 website at <http://gk8.io>, and they are still advertising \$1 billion in insurance, in 2 places on their homepage. (See Exhibit B)

13. I relied on the claim of \$750 million in insurance when deciding to keep my assets on the Celsius platform before the pause.

14. I also relied on a claim that Celsius had 151,534 BTC “under management” on June 4. (See Exhibit A.) This would have been worth \$4.5 billion at June 4th closing prices of \$29,831.91 per bitcoin.<sup>2</sup>

15. I have attached to this declaration, in support of my motion, copies, as Exhibits C, D, and E, the two insurance policies provided to me by Celsius, along with a machine translation of the office policy (generated via Google). I certify that the documents are true and correct copies of what I was sent by Dan Latona, counsel to the Debtors (the office policy is in Hebrew; running it through Google resulted in the attached English version; while not perfect, it is clear that this is not a policy for \$750 million in digital asset insurance, and that it is, indeed, an office policy as described to me by the Debtors.)

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<sup>2</sup> See: <https://finance.yahoo.com/quote/BTC-USD/history/>



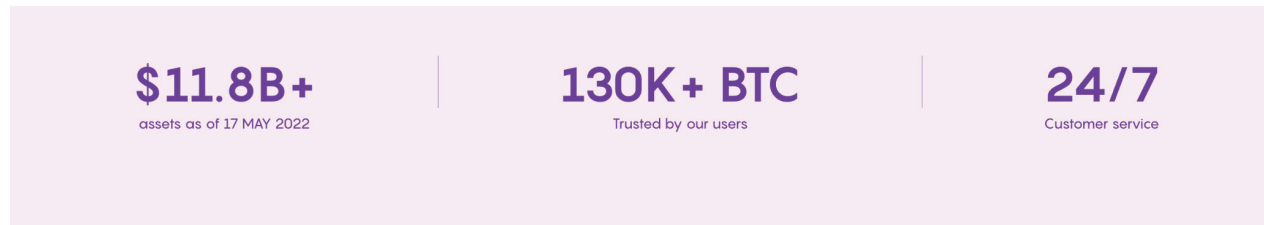
Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.

Dated: January 4th, 2022  
Broward County, Florida

/s/ Daniel A. Frishberg  
Daniel A. Frishberg  
*Pro Se*

## EXHIBIT A: Celsius website before and after GK8 insurance advertisement

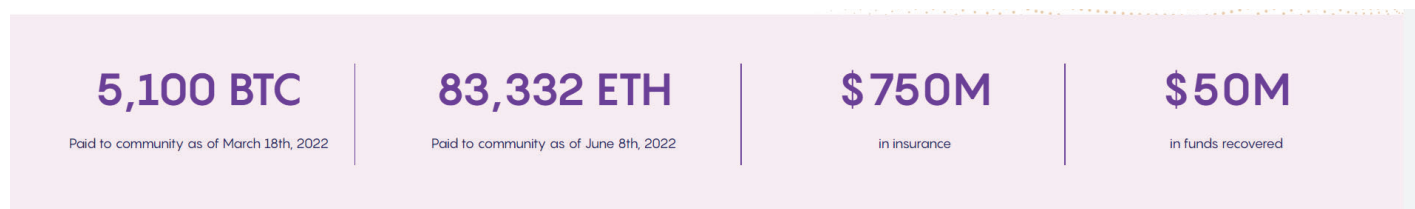
The following is from the May 29, 2022 Celsius homepage (before the GK8 insurance was added). Note also the claim of \$11.8B+ in “assets as of 17 May 2022,” which is clearly false as of May 17, given what we now know about Celsius’ insolvency pre-petition:



The following is from the June 4th, 2022 Celsius homepage claiming \$750m in insurance for assets in GK8.” Also note the claim of 151,534 BTC “under management,” which would have been worth \$4.5 billion at Jun 4th closing prices of \$29,831.91 per bitcoin (in reality, we now know that most of those BTC were not really there as of June 4th; there are just 243.8 bitcoin left on Celsius’ balance sheet per D.R. 1676, their latest coin report.)

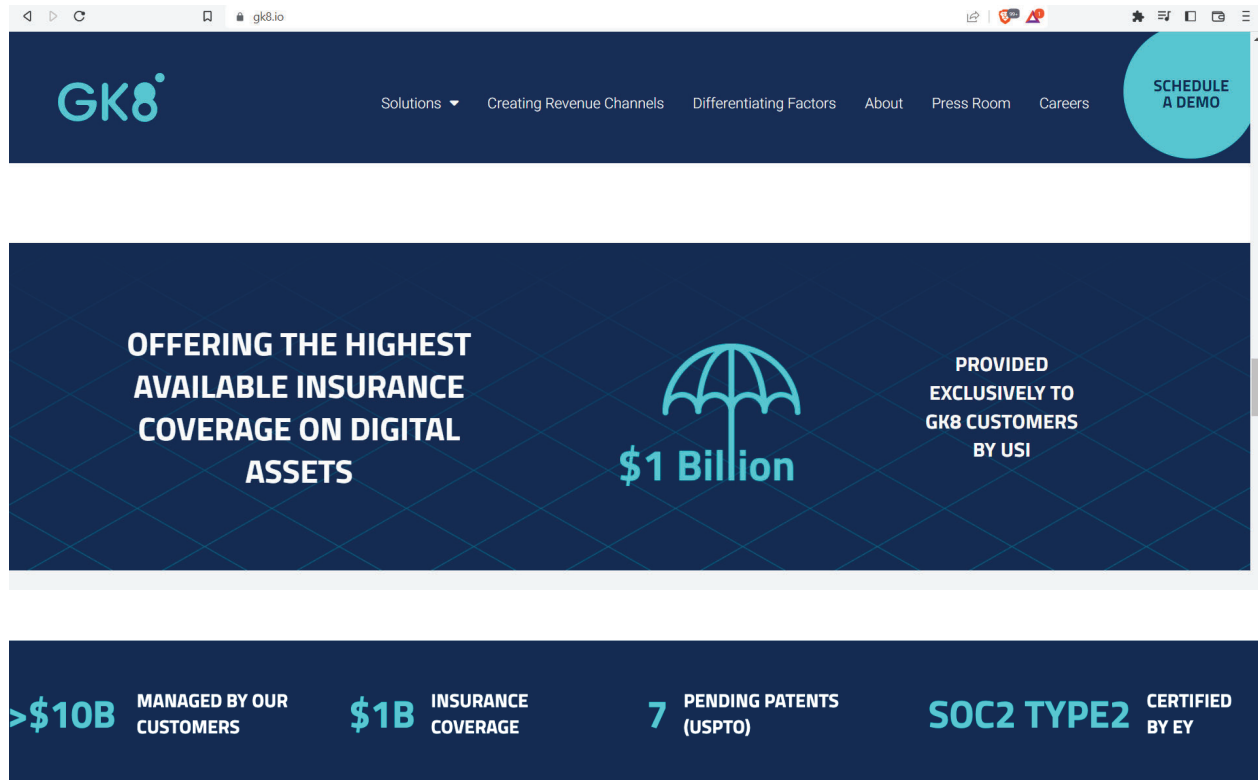


The following is from the July 6th, 2022 Celsius homepage. It should be noted that there is no longer any mention of GK8, or its supposed involvement, just a simple statement of “\$750 million in insurance” (which implies that Celsius held \$750 million in digital asset insurance.)



## EXHIBIT B: GK8 insurance advertisement as of January 4th, 2023

The following is from January 4th, 2023, on the GK8 website claiming \$1 billion in insurance:



**Exhibit C: Lloyd's Insurance**



**Certificate Number:** CRM2200000001-000

**Name of Insured:** GK8, LTD

**LLOYD'S CERTIFICATE**

**This Insurance** is underwritten by certain Underwriters at Lloyd's, London whose syndicate numbers and the proportions underwritten by them are stated within this Certificate.

**This Certificate** is issued by the Coverholder identified within this Certificate in accordance with the authorisation granted to the Coverholder under the Binding Authority Agreement with the Unique Market Reference stated within this Certificate.

**THIS CERTIFICATE HAS BEEN SIGNED**

For and on behalf of Evertas Insurance Agency, LLC as agents of the Insurer by

A handwritten signature in black ink, appearing to read "Raymond Zenkich", written over a solid black horizontal line.

Raymond Zenkich

**Dated in Chicago:** *August 1, 2022*

Lloyd's Managing Agents are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Their Firm Reference Number(s) and other details can be found on the Financial Services Register at [www.fca.org.uk](http://www.fca.org.uk).

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## CERTIFICATE PROVISIONS

1. **Signature Required.** This Certificate shall not be valid unless signed by the Coverholder.
2. **All enquiries or complaints:** In the event of any enquiry or complaint relating to this Certificate should be referred to Evertas Insurance Agency LLC, being the Coverholder, in the first instance at:

Postal Address: 1 N. Wacker Dr., Suite 3601, Chicago, IL 60606, U.S.A  
Telephone Number: O +1 847.390.0702 | M +1 847.332.2885  
E-mail: [raymond.zenkich@evertas.com](mailto:raymond.zenkich@evertas.com)

If this does not resolve the matter or you are not satisfied with the way a complaint has been dealt with, you should write to Ms. Sigal Schlimoff Rechtman of Gibor Sport Building, 7 Menachem Begin Road, Ramat Gan 52521, Israel, being the Lloyd's Representative in Israel who will refer your dispute to the Complaints Team at Lloyd's.

3. **Service of Suit.** This Certificate shall be governed by Israeli law and the Israeli Courts shall have jurisdiction in any dispute arising hereunder. In this event Ms. Sigal Schlimoff Rechtman of Gibor Sport Building, 7 Menachem Begin Road, Ramat Gan 52521, Israel, being the Lloyd's Representative in Israel, is authorised to accept service of suit on behalf of Underwriters.
4. **Assignment.** This Certificate shall not be assigned either in whole or in part without the written consent of the Coverholder endorsed hereon.
5. **Attached Conditions Incorporated.** This Certificate comprises of this Certificate jacket, the Declarations, Wording and all the provisions, conditions and warranties set forth herein, attached or endorsed, all of which are to be considered as incorporated herein.
6. **Definition:** Wherever the words "Policy" or "Policies" appear herein, the same shall be deemed to mean and read "Certificate" or "Certificates".

Lloyd's Managing Agents are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Their Firm Reference Number(s) and other details can be found on the Financial Services Register at [www.fca.org.uk](http://www.fca.org.uk).

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## SECURITY

Lloyd's Underwriter Syndicate No. 2012 AAL – Proportion 100%  
under Binding Authority Unique Market Reference (UMR): B0509JFILR2250023

## SEVERAL LIABILITY NOTICE

The subscribing insurers' obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.

**LSW1001 (Insurance) 08/94.**

Lloyd's Managing Agents are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Their Firm Reference Number(s) and other details can be found on the Financial Services Register at [www.fca.org.uk](http://www.fca.org.uk).



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## **EVERTAS CODE<sup>SM</sup>**

### **COVERAGE FOR DIGITAL EXPOSURES<sup>SM</sup> DECLARATIONS**

THIS DOCUMENT ATTACHES TO THE COVERAGE FORM AND TOGETHER WITH THESE DECLARATIONS AND ANY ENDORSEMENTS THERETO CONSTITUTE THE POLICY. THIS POLICY IS WRITTEN ON A FIRST OCCURRING AND REPORTED BASIS. PLEASE READ THE POLICY CAREFULLY. IN RETURN FOR THE PAYMENT OF THE PREMIUM AND SUBJECT TO ALL THE TERMS AND CONDITIONS OF THIS POLICY THE INSURER AGREES WITH THE INSURED TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

<b>PRODUCER:</b> USI Insurance Services, LLC. 2400 E Commercial Blvd., Suite 600 Fort Lauderdale, FL 33308.	<b>COVERHOLDER:</b> Evertas Insurance Agency LLC 1 N. Wacker Dr., Suite 3601 Chicago, IL 60606	<b>INSURER:</b> Lloyd's Underwriter Syndicate No. 2012 AAL Proportion 100%
<b>POLICY NUMBER:</b> CRM2200000001-000		
<b>RENEWAL OF POLICY NUMBER:</b> Not applicable		
<b>POLICY FORM:</b> CDE.PF.01 071222022 CODE Policy Form		
<b>ITEM 1. INSURED:</b> GK8, LTD Mailing Address: Yona Kremenetski 6 Tel-Aviv 6789906 Israel		
<b>ITEM 2. POLICY PERIOD:</b>		
<b>ITEM 2a.</b> Effective Date: August 1, 2022		
<b>ITEM 2b.</b> Expiration Date: August 1, 2023		
<b>ITEM 3. RETROACTIVE DATE:</b> August 1, 2022		
All dates at 12:01 A.M. Standard Time at the Mailing Address of the NAMED INSURED shown in Item 1. above		
<b>ITEM 4. LIMITS AND SUBLIMITS OF INSURANCE AND RETENTION:</b>		
<b>COVERAGES</b>	<b>LIMIT OF INSURANCE</b>	<b>RETENTION</b>
Part 2. Digital Asset Loss and Avoidance Costs	\$750,000 per event or series of related events	\$150,000 per event or series of related events
Part 3. Fidelity and Property Loss and Avoidance Costs <b>NONE</b>	<b>N/A</b>	<b>N/A</b>
Policy Aggregate ( <b>Maximum loss under the policy</b> )	\$750,000	\$150,000 for any single loss or related loss
<b>ITEM 5. PREMIUM (U.S. Dollars):</b>		
<b>PREMIUM</b>	\$ 60,000	
<b>OTHER</b> (Specify type of tax, fee, or surcharge)	\$ 0	
<b>TOTAL</b>	\$ 60,000	
<b>ITEM 6. PREMIUM PAYMENT TERMS:</b> Within 30 days of Effective Date shown in Item 2. above to be paid in U.S. Dollars. If premiums are not paid in full by the Insured within such 30 day period then the Policy shall be void ab initio.		

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There will be a minimum earned premium of 10% of the Premium shown in Item 5 above. However, if a premium finance company financed the Insured's payment of the premium, then the premium finance company may cancel the Policy in accordance with law and receive a return of unearned premium on a short rate basis if the premium finance company has provided to the Program Administrator a valid power of attorney from the Insured.

**ITEM 7. JURISDICTION:** ISRAEL

**ITEM 8. THIRD-PARTY CUSTODIAN:** Not applicable

**ITEM 9. ENDORSEMENTS:** The following terms are hereby added to the Policy:

The terms of Endorsements 1 through 6 are hereby added to the Policy:

Endorsement 1 ENDORSEMENT LIST

Endorsement 2 WAR AND CIVIL WAR EXCLUSION CLAUSE ENDORSEMENT

Endorsement 3 INSTITUTE RADIOACTIVE CONTAMINATION, CHEMICAL, BIOLOGICAL, BIO-CHEMICAL AND  
ELECTROMAGNETIC WEAPONS EXCLUSION CLAUSE ENDORSEMENT

Endorsement 4 SANCTION LIMITATION AND EXCLUSION CLAUSE ENDORSEMENT

Endorsement 5 TERRORISM EXCLUSION ENDORSEMENT

Endorsement 6 GENERAL CONDITIONS

**ITEM 10. EXTENDED REPORTING PERIOD:** Not applicable

**ITEM 11. NOTICE TO THE INSURER:**

**Notice of CODE Events and Notice of Circumstance Reporting, SEND TO:**

Evertas Insurance Agency LLC  
1 N. Wacker Dr., Suite 3601  
Chicago, IL 60606  
Email: [claims@evertas.com](mailto:claims@evertas.com)

**All Other Notices, SEND TO:**

Evertas Insurance Agency LLC  
1 N. Wacker Dr., Suite 3601  
Chicago, IL 60606  
Email: [raymond.zenkich@evertas.com](mailto:raymond.zenkich@evertas.com)

**Except if otherwise indicated all amounts will be in United States Dollars.** These Declarations along with the completed and signed **Application**, Coverage Form, and Endorsements attached hereto constitute the contract of insurance between the **Named Insured** and **Insurer**.





## COVERAGE FOR DIGITAL EXPOSURES<sup>SM</sup>

### COVERAGE FOR DIGITAL AND FIDELITY AND PROPERTY EXPOSURES INSURANCE POLICY COVERAGE FORM

**PART 2: THIS INSURANCE POLICY APPLIES ONLY TO CODE INCIDENTS FIRST DISCOVERABLE AFTER THE RETROACTIVE DATE AND FIRST DISCOVERED DURING THE POLICY PERIOD.**

**PART 3: THIS INSURANCE POLICY APPLIES ONLY TO FIDELTY LOSSES FIRST OCCURRING DURING THE POLICY PERIOD.**

**ALL PAYMENTS WILL ERODE AND MAY EXHAUST THE APPLICABLE LIMITS OF INSURANCE AND THE POLICY AGGREGATE LIMIT OF INSURANCE. INCIDENTS AND LOSSES MUST BE REPORTED TO THE INSURER IN ACCORDANCE WITH THE REPORTING PROVISIONS OF THIS POLICY. PLEASE READ THIS POLICY CAREFULLY.**

This Policy consists of three Parts. Except as noted, the provisions of Part 1 apply to both Part 2 and Part 3. All words in bold have special meaning as set forth in the sections entitled **DEFINITIONS** in Part 2 and Part 3. Section and paragraph headings are for informational purposes only. In consideration of the premium paid and in reliance on the statements made in the **Application**, and subject to the Declarations, Coverage Form, and Endorsements, including all limitations, conditions, and provisions contained therein, the **Insurer** and the **Insured**, on behalf of all **Insureds**, agree to the following:

## PART 1 – GENERAL PROVISIONS AND CONDITIONS

**The following are general provisions and conditions for coverage under this Policy:**

### SECTION 1 – DEFINITIONS

#### APPLICATION

Statements and representations made by an **Insured** and provided to the **Insurer** for the purpose of the **Insurer's** continuous underwriting of this Policy during the process of applying for this Policy and during the **Policy Period**, whether made orally or in writing. Without limiting the foregoing, this includes any statement of fact, assessment, questionnaire, application, proposal, submission or like document provided to or exchanged between the parties, any telephone, video, or in-person meeting or electronic communication between the parties or their authorized representatives.

#### CUSTOMER(S)

An individual or entity, other than the **Insured**, who has entered into a **Customer Agreement** with the **Insured** to utilise the **Insured's** products and services, and who has legal ownership or legal custody of **Digital Assets** or **Property**. **Customers** are not **Insureds** under this policy and shall have no rights under this policy or entitlement to enforce its terms.

#### CUSTOMER AGREEMENT

A written agreement between the **Insured** and its **Customer** where the **Insured** has provided hardware and software to a **Customer** for the purpose of enabling the **Customer** to provide **Cryptocurrency Services** to its customers or is holding or



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maintaining **Property** of the **Customer's** customers.

**DISCOVERED (DISCOVERY)**

First known by an **Executive Officer** of the **Insured**.

**EFFECTIVE DATE**

The **Effective Date** of this Policy specified in the Declarations.

**EXPIRATION DATE**

The date specified as such in the Declarations.

**EXTENDED REPORTING PERIOD** means the designated period after the end of the **Policy Period** for reporting **CODE Incidents** or **Fidelity or Property Losses** first **Discovered** by an **Executive Officer** of the **Insured** during such designated period, provided that the **CODE Incident** or **Fidelity or Property Loss** first occurred on or after the **Retroactive Date** and prior to the end of the **Policy Period**.

**EXECUTIVE OFFICER**

Any duly elected or appointed Chief Executive Officer, Chief Financial Officer, Chief Operations Officer, Chief Information Officer, Chief Information Security Officer, Chief Privacy Officer, Chief Security Officer, Chief Technology Officer, Chief Risk Officer, Chief Legal Officer, Risk Manager, General Counsel and in-house attorney or the functional equivalent of any of the foregoing.

**FIDELITY OR PROPERTY LOSSES**

**Loss** as defined in Part 3

**INSURED**

The company or individual designated as such in the Declarations

**INSURER**

The company designated as such in the Declarations.

**MANAGEMENT CONTROL**

1. Ownership interests representing more than fifty percent (50%) of the voting, appointment or designation power of a company for the selection of a majority of (i) the board of directors of a corporation, (ii) the management committee members of a joint venture or partnership, or (iii) the members of the management board of a limited liability company; or
2. The right, pursuant to written contract or the by-laws, charter, operating agreement or similar documents of an entity, to select, appoint or designate a majority of (i) the board of directors of a corporation, (ii) the management committee members of a joint venture or partnership, or (iii) the members of the management board of a limited liability company.

**MONEY LAUNDERING**

1. The concealment, disguise, conversion, transfer, or removal of **Property**, including **Digital Assets**, obtained as a result of or in connection with a crime or criminal conduct (including concealing or disguising its nature, source, location, disposition, movement or ownership or any rights relating thereto);
2. The entering into or becoming in any way concerned in an arrangement which is known or suspected to facilitate (by whatever means) the acquisition, retention, use or control of **Property**, including **Digital Assets**, obtained as a result of or in connection with a crime or criminal conduct;
3. The acquisition, use or possession of **Property**, including **Digital Assets**, obtained as a result of or in connection with a crime or criminal conduct;
4. Any act which constitutes an attempt, conspiracy, or incitement to commit any act or acts mentioned in the foregoing paragraphs 1-3 above; or
5. Any act which constitutes aiding, abetting, counselling, or procuring the commission of any act or acts mentioned in the foregoing paragraphs 1-4 above.

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#### POLICY PERIOD

The period of time stated as such in the Declarations, beginning on the **Effective Date** and ending on the **Expiration Date**, or the date of termination or cancellation of the Policy, whichever is earliest.

#### RETROACTIVE DATE

The date stated as such in Declarations.

## SECTION 2 – REPORTING OF NOTICES

### REPORTING NOTICE OF CODE INCIDENTS (PART 2) AND FIDELITY OR PROPERTY LOSSES (PART 3)

The **Insured** must provide notice to the **Insurer** as soon as practicable and in accordance with the below, but in any event within thirty (30) days after **Discovery** by the **Insured**:

1. no later than midnight on the expected day of delivery for **Digital Assets** in **Transit** in the event of a failure to complete a **Transit** within the expected timeframe;
2. for all other **CODE Incidents** no later than forty-eight (48) hours after **Discovery**; and
3. for all **Fidelity or Property Losses**, no later than thirty (30) days after **Discovery** by the **Insured**.

No coverage will be provided for any **Avoidance Costs** prior to the time the **CODE Incident** or **Fidelity or Property Loss** is first reported to the **Insured**.

#### REPORTING NOTICE OF CIRCUMSTANCES

If during the **Policy Period** an **Insured** gives the **Insurer** written notice of an act, error, omission, fact, or circumstance **Discovered** during the **Policy Period** that is reasonably likely to give rise to a **CODE Incident** or **Fidelity or Property Loss** along with full details of:

1. such act, error, omission, fact, or circumstance, including any available information on persons or entities involved in such act, error, omission, fact, or circumstance;
2. the nature and extent of the potential **First Party Costs**; and
3. the manner in which the **Insured** first became aware of such an act, error, omission, fact, or circumstance;

then any **First Party Costs** subsequently arising out of such act, error, omission, fact, or circumstance will be deemed to have been incurred during the **Policy Period**.

#### LIMITATION ON REPORTING

In no event and under no circumstance is coverage available for notices of **CODE Incidents** or **Fidelity or Property Losses** or circumstances occurring after the **Policy Period** or after expiration of any applicable **Extended Reporting Period**.

## SECTION 3 – RELATED INCIDENTS AND COSTS

#### RELATED INCIDENTS

If **Related CODE Incidents** or **Fidelity or Property Losses** subsequently occur and are reported then all such **Related CODE Incidents** or **Fidelity or Property Losses** will be considered a single **CODE Incident** or **Fidelity or Property Loss** and will be deemed to have occurred on the date the first of those **CODE Incidents** or **Fidelity or Property Losses** occurred, irrespective of the number of **Related CODE Incidents** or **Fidelity or Property Losses**, the identity or number of **Insureds**, **Customers**, or **Third-Party Custodians** involved or the number of **CODE Incidents** or **Fidelity or Property Losses**.

#### RELATED FIRST PARTY COSTS

All **First Party Costs** arising from **Related CODE Incidents** or **Fidelity or Property Losses** will be considered a single **First Party Cost** occurring on the date the first **Related CODE Incident** is **Discovered** (or would have been considered **Discovery** pursuant to Section 7 of Part 2) or **Fidelity or Property Loss** first occurs, irrespective of the number of **Related CODE Incidents** or **Fidelity or Property Losses**, the identity or number of **Insureds**, **Customers**, of **Third-Party Custodians** involved or the number of **CODE Incidents** or **Fidelity or Property Losses**.

## SECTION 4 – COVERAGE OBLIGATIONS

### AFFIRMED PROOF OF LOSS

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It is a condition precedent to the obligations of the **Insurers** under this Policy that the **Insured** must complete and sign a written, detailed, and affirmed proof of loss within thirty (30) days after a **CODE Incident** or **Fidelity or Property Loss** is **Discovered**. The proof of loss shall set forth the basis on which the **Insured** reasonably believes that the loss is covered under this Policy and shall include all documentary evidence within the possession, custody, or control of the **Insured** as is reasonably necessary to support that belief. The burden of proof as to both the existence and extent of loss is upon the **Insured**.

#### LOSS MINIMIZATION

1. It is the duty of the **Insured** and its employees and agents to take all such measures as may be reasonable for the purpose of
2. averting or minimizing such loss, and to ensure that all rights against third parties are properly preserved and exercised with
3. respect to minimizing such loss and preserving future potential recovery.

## SECTION 5 – EXTENDED REPORTING PERIOD

#### EXTENDED REPORTING PERIOD

No **Extended Reporting Period** will be construed to be a new Policy. Any notice submitted by the **Insured** during the **Extended Reporting Period** will be subject to this Policy terms and conditions, except as specifically set forth below. All notices submitted during the **Extended Reporting Period** must be in accordance with section entitled **REPORTING OF NOTICES**.

1. If this Policy is canceled or non-renewed, the **Insured** may elect to purchase an **Extended Reporting Period** unless the **Insurer** cancels or non-renews the Policy because any **Insured** failed to pay any amounts owed to the **Insurer** or any **Insured** failed to comply with Policy provisions.
2. The **Extended Reporting Period** and the respective percentages of the annual premium that the **Insured** must pay to purchase an **Extended Reporting Period** are set forth in the Declarations.
3. The **Insurer** must receive the **Insured's** request to purchase the **Extended Reporting Period** by written notice at least seven (7) days prior to the end of the **Policy Period** and payment of the applicable premium within fourteen (14) days after the end of the **Policy Period**. If the **Insurer** does not receive payment within fourteen (14) days after the end of the **Policy Period** the **Insurer** will not be required to provide any **Extended Reporting Period**. Premium for the **Extended Reporting Period** will be fully earned on the effective date thereof. Once in effect, the **Extended Reporting Period** may not be canceled.
4. A notice submitted in writing to the **Insurer** during the **Extended Reporting Period** will be deemed to have been made on the last day of this **Policy Period**.
5. The **Extended Reporting Period** does not reinstate or increase any limit of insurance.

## SECTION 6 – RECOVERY

All recoveries thereof shall be applied in the following order of priority: (a) the **Insurers** shall first be reimbursed for amounts paid under this Policy; (b) the **Insured** with respect to any amounts which it has suffered **Loss**; (c) **Insurers** for their cost and expenses associated with the notice of the **CODE Incident** or **Fidelity or Property Loss** including loss minimization and recovery not paid under this Policy; (d) any remainder to the **Insured**.

## SECTION 7 – GENERAL CONDITIONS

#### ACTION AGAINST THE INSURER

No action may be brought against the **Insurer** unless, as a condition precedent thereto, (1) the **Insured** has fully complied with all of the terms, conditions and other provisions of the Policy, and (2) the amount of the **Insured's** obligation to pay has been finally determined. No person or entity will have the right under the Policy to (1) join the **Insurer** or its agents and representatives as a defendant, co-defendant or other party in any action against the **Insured** to determine the **Insured's** liability or (2) implead the **Insurer** or its agents and representatives in any such action.

#### ALTERNATIVE DISPUTE RESOLUTION

Any dispute arising out of or relating to the Policy, including but not limited to its construction and validity, or any breach thereof, will first be submitted to non-binding mediation administered by a mediation facility to which the **Insurer** and the **Insured** mutually agree. The **Insured** and the **Insurer** will attempt in good faith to settle the dispute in accordance with the commercial mediation rules of the American Arbitration Association ('AAA') in effect at the time of the dispute. No award of

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punitive damages will be made in any such mediation. Each party will bear its own fees and costs in connection with any such mediation, but the costs incurred through AAA, including the fees and expenses of the mediator, will be shared equally by the parties unless the mediation award provides otherwise. All mediation proceedings will be held in the jurisdiction identified in the Declarations.

In the event such non-binding mediation does not result in a settlement of the dispute either party has the right:

1. to commence a judicial proceeding; and
2. with consent of the other party, to commence an arbitration proceeding in accordance with the commercial arbitration rules of AAA in effect at the time of dispute.

The decision of the arbitrator or arbitrators will be final and binding. Any award may be confirmed and enforced in any court of competent jurisdiction. Such award shall not include attorney's fees or punitive damages.

#### **ASSIGNMENT**

Assignment of any right or interest under this Policy will not bind the **Insurer** unless the **Insurer's** written consent is endorsed hereon.

#### **ASSISTANCE, COOPERATION, AND CONFIDENTIALITY**

1. Regarding this Policy and any **Loss**, the **Insured** will reasonably cooperate with the **Insurer** and upon the **Insurer's** request:
  - a. provide information as requested by the **Insurer** for the purpose of continuous underwriting of this Policy;
  - b. assist the **Insurer** in the investigation of any **CODE Incident** or **Fidelity or Property Loss** and notice of circumstance;
  - c. attend hearings, depositions, and trials;
  - d. secure and provide evidence which includes but is not limited to obtaining the attendance of witnesses;
  - e. allow the **Insurer** to participate in the handling and management of any suit or proceeding and any written demand submitted to the **Insured** by a customer or custodian, relating to a **CODE Incident** or **Fidelity or Property Loss** whether a demand for monetary relief, a civil proceeding, arbitration or any alternative dispute resolution proceeding, including any appeal therefrom;
  - f. assist the **Insurer** in enforcing any right, contribution, or indemnity against a third-party which may be liable to the **Insured**;
  - g. allow a computer forensics expert access to systems, files, and information; and
  - h. allow an investigator access to inspect and evaluate physical spaces and equipment, including but not limited to alarm and surveillance systems, and computer hardware and network devices, and physical records.
2. As a condition precedent to the **Insurer's** obligation pay **First Party Costs** under this Policy, the **Insurer** will have the right to investigate any **CODE Incident** or **Fidelity or Property Loss** notice of circumstance, written demand by a customer or custodian relating to a **CODE Incident** or **Fidelity or Property Loss**.
3. The **Insured** may not make any public announcement as to the existence of this Policy including referring to **Evertas Insurance Agency LLC.**, unless such has been approved in writing by the **Insurer** prior to the public announcement. The **Insured** agrees that all other terms and conditions of this Policy are confidential and shall not be disclosed, described, interpreted or construed, directly or indirectly, in any press release, public announcement or media interview without the written consent of the **Insurer**. Further, the **Insured** and **Insurer** agree that monetary damages are insufficient for breach of this confidentiality agreement and accordingly an appropriate remedy for such breach is suspension of coverage under this Policy until the breach has been cured in a manner reasonably acceptable to the **Insurer**. **CODE Incidents, Related CODE Incidents or Fidelity or Property Loss** or other occurrence(s) occurring during the period of coverage suspension resulting in **First Party Costs** are excluded under this Policy and no coverage shall be provided for such **CODE Incident, Related CODE Incidents or Fidelity or Property Loss or First Party Costs**.
4. The **Insured** will take all reasonable steps to avert, limit and mitigate any event or circumstance for which coverage may be or is sought under the Policy. The **Insured** will do nothing which in any way increases the **Insurer's** exposure under the Policy or in any way prejudices the **Insurer's** potential or actual rights of recovery.

#### **BANKRUPTCY**

Bankruptcy or insolvency of any **Insured** will not relieve the **Insurer** of any of its obligations hereunder nor shall it limit any rights of the **Insured** under the Policy.

#### **CANCELLATION AND NONRENEWAL**

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## 1. Cancellation

- a. The **Insured** may cancel this Policy by providing written notice of cancellation to the **Insurer** as described in the Declarations. Such notice of cancellation will state the effective date of cancellation. If no effective date is stated, the effective date of cancellation will be thirty (30) days after the **Insurer's** receipt of such notice. The **Policy Period** will end on that date.
- b. The **Insurer** may cancel this Policy by providing written notice of cancellation to the **Insured** at least:
  - I. ten (10) days before the effective date of cancellation if the **Insurer** cancels for non-payment of premium; or
  - II. thirty (30) days before the effective date of cancellation if the **Insurer** cancels for any other reason.The **Insurer** will mail or deliver the notice to the **Insured** at the address stated in the Declarations. If notice of cancellation is mailed, proof of mailing will be sufficient proof of notice. Delivery of the notice will be the same as mailing.
- c. If this Policy is cancelled, the **Insurer** will send the **Insured** any premium refund due. If the **Insurer** cancels, the refund will be the pro-rata unearned amount of the annual premium. If the **Insured** cancels, the refund will be the pro-rata unearned amount of the annual premium calculated at the customary short rate in the short rate table provided with this Policy as a Policy Holder Notice. Return of premium to the **Insured** is not a condition precedent to cancellation.

## 2. Nonrenewal

The **Insurer** may elect not to renew this Policy by mailing or delivering written notice of nonrenewal to the **Insured** at the address stated in the Declarations. If notice of nonrenewal is mailed, proof of mailing will be sufficient proof of notice. Delivery of the notice will be the same as mailing.

## CURRENCY

If any amounts covered by this Policy are paid in a currency other than the official currency of the country where this Policy was issued then the payment will be considered to have been made in United States Dollars at the conversion rate published in the *Wall Street Journal* at the time of the payment or when the **First Party Cost** was incurred.

## CHANGE IN CONTROL AND INSOLVENCY

If the **Insured** consolidates with, merges into, or sells all or substantially all of its assets to another entity, if any entity acquires **Management Control** of the **Insured**; or upon the **Insured's** filing of a petition for bankruptcy or similar legal petition with respect to insolvency, during the **Policy Period**, then the Policy will remain in full force but only with respect to **CODE Incidents** or **Fidelity or Property Losses** involving the **Insured** that first occurred prior to the date of the consolidation, merger, sale resulting in acquisition of **Management Control**, bankruptcy or insolvency filing; provided, however, coverage will remain in force for **CODE Incidents** or **Fidelity or Property Losses** first occurring subsequent to the effective date of the consolidation, merger, sale or acquisition of **Management Control**, bankruptcy or insolvency filing, if within thirty (30) days following the takeover effective date or filing; (1) the **Insurer** receives written notice containing full details of the transaction; (2) any additional information requested by the **Insurer** for the purposes of underwriting; (3) the **Insured** accepts all Policy amendments required by the **Insurer**, including but not limited to the addition of special terms, conditions, exclusions and the reduction of limits of insurance; (4) an **Executive Officer** of the new, consolidated, or merged entity executes a warranty letter as provided by the **Insurer**, on behalf of all **Insureds**, relating to knowledge of acts, errors, omissions, facts, or circumstances reasonably likely to give rise to such **CODE Incident** or **Fidelity or Property Loss**; and (5) the **Insured** pays any additional premium charge.

## HARD FORK (APPLICABLE TO PART 2 ONLY)

If **Digital Assets** or **Customer Assets** are subject to a **Hard Fork** during the **Policy Period**, then the Policy will remain in full force but only with respect to **CODE Incidents** that first occurred prior to the **Hard Fork**; provided, however, coverage will remain in force for **CODE Incidents** first occurring subsequent to the **Hard Fork**, if within thirty (30) days following the **Hard Fork** the **Insurer** receives; (1) any additional information requested by the **Insurer** for the purposes of underwriting; (2) the **Insured** accepts all Policy amendments required by the **Insurer**, including but not limited to the addition of special terms, conditions, exclusions and the reduction of limits of insurance; (3) an **Executive Officer** of the **Insured** executes a warranty letter as provided by the **Insurer**, on behalf of all **Insureds**, relating to knowledge of acts, errors, omissions, facts, or circumstances reasonably likely to give rise to such **CODE Incident**; and (4) the **Insured** pays any additional premium charge.

## INSURED SOLE AGENT

The **Insured** shall be the sole agent and will have exclusive authority to act on behalf of all **Individual Insureds**, including:

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providing and/or receiving notices, amendments to or cancelling of the Policy; completing the **Application** and any updates thereof; making statements, representations and warranties; remitting premium and receiving the return premium that may become due; paying amounts within the retention; and exercising or declining to exercise any right under the Policy.

#### LOSS PAYEES

In the event that the **Insured** is entitled to any payment in respect of a **Loss**, the **Insured** may designate in writing a **Customer** as a loss payee to whom the loss payment, of any part thereof, shall be made. The only right conferred on **Customers** in these circumstances is the right to receive loss payments. Any such loss payment to a **Customer** designated as a loss payee shall discharge any obligations of the **Insurers** to the **Insured** in respect thereof. The designation by the **Insured** of multiple **Customers** as loss payees shall not increase the Policy Aggregate limit of liability or the aggregate amount of any **Loss**. The **Insurers** may, acting in their sole discretion, upon notice to the **Insured** refuse to make any loss payment to a loss payee and instead elect to make such loss payment to the **Insured**.

#### JURISDICTION

This Policy and any non-contractual obligations arising in connection with it shall be governed by and construed in accordance with the laws of the jurisdiction identified in the Declarations and each party agrees to submit to the exclusive jurisdiction to the courts thereof.

#### NO PROOF OF OWNERSHIP

Nothing in this policy shall constitute evidence of title to an insured interest and the **Insured** shall not seek to evidence such title by presentation of this policy wording to a third party.

#### NOTICES

Except as otherwise provided in this Policy, all notices under any provision of this Policy must be in writing and delivered as follows: Notices to the **Insured** will be delivered by certified mail to the **Insured** at the address as stated in the Declarations. Such notices are deemed to be received and effective upon actual receipt by the addressee or one (1) day following the date such notices are sent, whichever is earlier. Notices to the **Insurer** will be delivered by prepaid express courier or certified mail, facsimile, or electronic mail to the appropriate party at the street address, fax number, or email address set forth in the Declarations.

#### OTHER INSURANCE

If there is any other valid and collectible insurance available to the **Insured** that applies to any coverage under this Policy, including but not limited to Specie, General Liability, Cyber, Property, and Errors & Omissions insurance, this Policy is excess over such other insurance, except when the other insurance is expressly designed to be excess of this Policy and no other insurance applies.

#### POLICY CHANGES

Notice to any agent of the **Insurer** or knowledge possessed by any such agent or by any other person will not affect a waiver or a change in any part of the Policy and will not prevent or preclude the **Insurer** from asserting or invoking any right under or provision of the Policy. None of the provisions of the Policy will be waived, changed or modified except by a written and signed endorsement issued by the **Insurer** to form a part of the Policy.

#### PREMIUM

The **Insured** will pay to the **Insurer** the amount of premium stated in the Declarations. The premium may be adjusted at any time during the **Policy Period** and any extensions of the **Policy Period** based upon changes in the provisions of this Policy or the insured risk pursuant to the terms of this Policy. If the premium is not paid in full by the **Insured** within the period provided for in the **Declarations**, then this policy shall be void with effect from inception.

#### REPRESENTATION

In issuing the Policy, the **Insurer** has relied upon the statements made and information furnished in the **Application** and the accuracy and completeness of such statements and information. Such statements and information are the basis for the **Insurer's** issuance of this Policy and are incorporated into and constitute a part of this Policy. The **Insureds** warrant that the content of the **Application** and materials provided to the **Insurer** are true, accurate, and complete to the best of the knowledge

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of the **Insureds**, after reasonable inquiry, and are material to the **Insurer's** acceptance of the risk to which the Policy applies. Any misrepresentation, concealment, or misstatement by the **Insured** material to the risk, including but not limited to third-party services or systems, will render the Policy null and void as respects any **CODE Incident** or **Fidelity or Property Loss** causally connected to such misrepresentation, concealment or misstatement and shall therefore to that extent relieve the **Insurer** from all obligations herein.

With respect to the **Application** all **Insureds** further expressly agree, understand, acknowledge, and warrant the statements made are:

1. true, accurate and complete on the **Effective Date** of this Policy;
2. material to the **Insurer's** acceptance of the risk to which this Policy applies, and that the **Insurer** relies upon the continued use and maintenance of that described in the **Application** as the basis for the **Insurer's** continuous decision to provide coverage during the **Policy Period**; and
3. as of the **Effective Date** of this Policy the **Insureds** warrant the minimum requirements of security for **Digital Assets** and **Property** and will be maintained or improved throughout the **Policy Period** through regular compliance efforts consistent with proper industry standards.

#### SUBROGATION

In the event of payment under the Policy, the **Insurer** is subrogated to all rights of recovery of the **Insured** against any individual or entity. The **Insured** warrants and agrees to execute and deliver instruments and papers and do whatever else is required by the **Insurer** to secure, prosecute, and collect on such rights or any other rights, directly in the name of any **Insured**. The **Insured** further warrants and agrees not to prejudice such rights. These rights specifically include but are not limited to the right to seek recovery of any lost, stolen disappeared, damaged, or destroyed **Digital Assets** or **Property** for which coverage has been provided under this Policy. The **Insured** will have no rights of subrogation against any **Insurer** hereunder. The **Insurer** will have the right to seek recovery from the **Insured**:

1. if the **Insurer** has paid all or part of any retention; and
2. for any amounts the **Insurer** has paid:
  - a. excess of any applicable limits of insurance;
  - b. excess of the **Insurer's** obligation to pay; and
  - c. for which this Policy does not afford coverage.

#### TERMINATION

The **Insurer** shall have all remedies available to it by law in the event of any deliberate misrepresentation, concealment, or misstatement relevant to this Policy. Without prejudice to all other rights available to the **Insurer**, in the event the **Insured** or its representative(s) has made any deliberate misrepresentation, concealment, or misstatement relevant to this Policy, or made any notice that is fraudulent or false, the **Insurer** may refuse all notices, terminate this Policy upon notice with immediate effect and treat this Policy as if it had never existed. In such circumstances, the **Insurer** shall be entitled to retain all premium received and receive any future premium instalments that would have been paid to the **Insurer** but for termination of this Policy.

#### TERRITORY

The Policy applies to a **CODE Incident** or **Fidelity or Property Loss** occurring anywhere in the world other than any country sanctioned by the United States Department of The Treasury, Office of Foreign Assets Control (OFAC).

## PART 2 – DIGITAL EXPOSURES

### SECTION 1 - COVERAGE

#### A. DIGITAL ASSET LOSS

The **Insurer** will pay for **Loss** a **Customer** incurs arising out of a **CODE Incident** that first occurs on or after the **Retroactive Date** and prior to the end of the **Policy Period** first **Discovered** during the **Policy Period** and reported to the **Insurer** pursuant to the provisions of this Policy.

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## B. AVOIDANCE COSTS

The **Insurer** will pay for **Avoidance Costs** the **Insured** incurs during the **Period of Recovery** in response to a **CODE Incident** that first occurs on or after the **Retroactive Date** and prior to the end of the **Policy Period** first **Discovered** during the **Policy Period** and reported to the **Insurer** pursuant to the provisions of this Policy.

## SECTION 2 - SUPPLEMENTAL COVERAGE FOR NOTICE OF CIRCUMSTANCES

The **Insurer** may, in its sole discretion, pay supplemental **Avoidance Costs** incurred by the **Insured** when approved in writing by the **Insurer** in advance of such costs being incurred. Supplemental **Avoidance Costs** will not increase any limit of insurance and will erode and may exhaust the policy aggregate limit of insurance. No premium or fee is charged for supplemental **Avoidance Costs**.

## SECTION 3 - LIMITS AND SUBLIMITS OF INSURANCE

The limits of insurance are stated in the Declarations. The limits of insurance will not exceed the amounts stated in the Declarations regardless of the number of **CODE Incidents** that occur, are reported, or noticed to the **Insured**.

In no event is the **Insurer** responsible to pay in excess of the applicable limits of insurance. Amounts deposited or escrowed with a court of competent jurisdiction will erode and may exhaust the applicable limits of insurance.

### 1. Policy Aggregate Limit of Insurance

The **Insurers** maximum aggregate limit of insurance for all covered amounts under this Policy shall be the policy aggregate limit of insurance stated in the Declarations.

### 2. Limit of Insurance for Each Coverage

Subject to the policy aggregate limit of insurance, the **Insurers** maximum aggregate limit of insurance for all covered amounts under each coverage shall be the each coverage limit of insurance stated in the Declarations. Payments made will erode and may exhaust the each coverage limit of insurance and the policy aggregate limit of insurance.

### 3. Hot Storage Sublimit of Insurance

The **Insurer** shall not be liable for **Loss** for any otherwise covered matter in excess of the sublimit of insurance stated in the Declarations arising out of **Hot Storage of Digital Assets**, regardless of the number of **CODE Incidents** that occur, are reported, or noticed to the **Insured**. This sublimit of insurance shall be part of and not in addition to the **COVERAGE A. Digital Asset Loss** limit of insurance and subject to the policy aggregate limit of insurance.

## SECTION 4 - RETENTION

The **Insured** is responsible for the retentions as indicated in the Declarations. All retentions will be borne by the **Insured** at its own risk and must remain uninsured. The **Insurer** is responsible only for that portion of covered **First Party Costs** resulting from a **CODE Incident** excess of all applicable retentions. Each retention is a separate retention applying to each occurrence for the corresponding coverage shown in the Declarations. All **Related CODE Incidents** will be deemed a single occurrence. If more than a single retention applies to a **CODE Incident** or **Related CODE Incidents**, then the **Insured** is responsible for the highest applicable retention. The limits of insurance will not be reduced by the payment of any retention.

## SECTION 5 - DEFINITIONS

THE FOLLOWING DEFINITIONS ARE SPECIFIC TO THIS PART 2 OF THIS POLICY.

### AVOIDANCE COSTS

1. Solely with respect to **COVERAGE B.**, those costs incurred by the **Insured** to minimize covered **Loss** arising out of a **CODE Incident**. **Avoidance Costs** shall be incurred solely in fulfillment of the **Insured's** obligations for loss minimization found in **COVERAGE OBLIGATIONS, GENERAL CONDITIONS, and ASSISTANCE, COOPERATION, AND CONFIDENTIALITY**.
2. Solely with respect to **SUPPLEMENTAL COVERAGE FOR NOTICE OF CIRCUMSTANCES**, those costs incurred by the **Insured** whose intention is to avert a **CODE Incident** when a notice of circumstance is reported by the **Insured** in accordance with **REPORTING OF NOTICES**. **Avoidance Costs** shall be incurred solely in fulfillment of the **Insured's** obligations for loss

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minimization found in **COVERAGE OBLIGATIONS** and **GENERAL CONDITIONS; ASSISTANCE, COOPERATION, AND CONFIDENTIALITY**.

3. **Avoidance Costs** do not include:

- a. amounts paid, transmitted, transferred, or in the custody of others that are recoverable by the **Insured**;
- b. any element of profit for the **Insured**;
- c. any charge or credit against any fee owed or payable to the **Insured**;
- d. costs, fees, or other expenses the **Insured** incurs to establish or document the existence or amount of **Avoidance Costs**;
- e. costs to improve storage, processes, methods, controls, or procedures;
- f. costs for the purchase of computer hardware or software licenses;
- g. costs for software development; or
- h. wages and salaries of employee or contractors in the ordinary course of performing their duties.

**CODE INCIDENT**

Any **Physical Harm, Robbery, or Theft** that **Permanently Deprives** a **Customer** of **Digital Assets** occurring while the **Digital Assets** are in:

- a. **Transit**;
- b. **Storage**; or
- c. **Transmission**.

**COURIER**

Any services firm, including an armored vehicle company, authorized by the **Insured** to have care, custody, and control of a **Digital Asset** for the purpose of providing specialized services for secure transportation of high monetary value items.

**CRYPTOCURRENCY**

The digital currency for which this Policy was purchased as described in the **Application** and in the event of a **Hard Fork** then all digital currency tokens resulting therefrom.

**CRYPTOCURRENCY SERVICES**

Services provided by the **Customer** to its customers under which the **Customer** is acting as a custodian for its customers' **Digital Assets**.

**CUSTOMER ASSETS**

**Non-fungible Tokens, Cryptocurrency, Private Keys** used to access **Cryptocurrency** owned by a **Customer's** customer, whilst in the care, custody, and control of the **Customer** or a **Third-Party Custodian**, and subject to a written contract between the **Customer** and the **Customer's** customer evidencing the nature and extent of the **Cryptocurrency Services** to be provided by the **Customer**.

**CYBER EVENT**

The targeted release or insertion of any computer virus, malware, Trojan horse, worm, or other code, script, or software into the **Insured's** computer hardware, software or components thereof operated by and either owned by or leased to a **Customer**; or operated for the benefit of a **Customer** by the **Insured**. **Cyber Event** does not include the release or insertion of any computer virus, malware, Trojan horse, worm, or other code, script, or software that is not specifically designed to attack or target the computer hardware, software or components thereof owned by or leased by the **Insured**.

**DIGITAL ADDRESS**

The identifier derived from a **Private Key** that is valid for **Digital Assets**.

**DIGITAL ASSETS**

**Non-fungible Tokens, Cryptocurrency, Private Keys** used to access **Cryptocurrency**, and **Customer Assets**. **Digital Assets** does not mean or include assets owned, controlled or accessible by a designated terrorist including any person, organization, or entity designated a terrorist or terrorist organization by any governmental body, including but not limited to Foreign Terrorist Organizations (FTO) or State Sponsors of Terrorism designated by the Secretary of State.

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#### FAIR MARKET VALUE

The value of the **Digital Asset** in United States Dollars as determined by the digital asset Price Index as published by the three largest digital asset exchanges by volume trading in the relevant digital asset on the date the **CODE Incident** first occurred, if known, or if unknown, when first **Discovered**. In the event source data from less than three digital asset exchanges as described above is not available at the time of valuation, then the **Insured** and the **Insurer** shall agree, in good faith, on another appropriate valuation method. Provided however, for a **Digital Asset** that is a **Non-Fungible Token**, the value shall be determined as the most recent auction price, if available, otherwise the most recent acquisition price, and in both instances less 10% depreciation in value annually and calculated on a pro-rated basis as of the date of most recent auction or acquisition.

#### FIRST PARTY COSTS

**Avoidance Costs and Loss.**

#### HARD FORK

A change in the rules governing the software validating blockchain blocks produced in **Digital Assets** so that after the effective time of the hard fork there are two incompatible versions of the blockchain and cryptocurrency.

#### HOT STORAGE

Any of the following storage implementations:

1. **On-chain** Wallet with multi-signature or single signature;
2. **Off-chain** FIPS Rated HSM (Less or equal to level 2) with single signature;
3. **Off-chain** Non-FIPS Rated HSM with single signature;
4. **Off-chain** Non-HSM: Electronic with secure enclave with single signature;
5. **Off-chain** Non-HSM: Electronic without secure enclave with single signature;

and where used in this definition;

- a. multi-signature means authorization of a blockchain transaction requiring multiple **Private Key(s)**;
- b. single signature means authorization of a blockchain transaction requiring a single **Private Key(s)**;
- c. HSM means Hardware Security Module(s);
- d. FIPS means Federal Information Processing Standards; and
- e. Secure enclave means a hardware based key manager that is isolated from the main processor.

#### INDIVIDUAL INSURED

Any officer, director, member, principal, partner, trustee, employee, leased worker, or temporary employee of **Insured**.

#### KEY PERSONNEL

As defined by endorsement to this policy.

#### LOSS

The value of unrecoverable **Digital Assets** calculated as the **Fair Market Value** the day the **CODE Incident** was first **Discovered**.

#### MATERIAL CHANGE

A failure to continuously adhere to the processes, procedures, methods, or controls described in the **Application**; provided, however, **Material Change** shall not mean any change in processes, procedures, methods which in the good faith opinion of the **Insured** was intended to comply with this Policy's requirement to avert, limit or mitigate any actual or potential future loss.

#### NON-FUNGIBLE TOKENS

Cryptographic assets on a **blockchain** with unique identification codes and metadata solely identified by endorsement to this policy, if any.

#### OFF-CHAIN

A storage implementation with **Digital Assets** stored in or controlled by any manner other than **On-Chain**.

#### ON-CHAIN

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A storage implementation with **Digital Assets** stored in or controlled by a **Smart Contract**.

#### PERIOD OF RECOVERY

The period of time commencing when the **Insured** reports the **CODE Incident** and ending when the **Digital Assets** are recovered or determined to be non-recoverable by the **Insurer**.

#### PERMANENTLY DEPRIVE(S)

Circumstances where there is no realistic prospect of recovery of **Digital Assets** within a reasonable time period with best reasonable efforts by the **Insured**, **Customers**, and **Third-Party Custodian(s)** in cooperation with the **Insurer**.

#### PHYSICAL HARM

Physical loss, damage or destruction of **Digital Assets** caused by or resulting from: fire, water, lightening, explosion, windstorm, flood, hail, volcanic action, earthquake, tsunami, damage from electrical current, or sinkhole collapse.

#### POLLUTANTS

Any substance exhibiting any hazardous characteristics as defined by, or identified on a list of hazardous substances issued by the United States Environmental Protection Agency or any federal, state, county, municipal or local counterpart thereof or any foreign equivalent. Such substances include but are not limited to solids, liquids, gaseous or thermal irritants, contaminants or smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste materials, nuclear materials, nuclear waste, asbestos, including materials to be recycled, reconditioned, or reclaimed. **Pollutants** shall also mean any air emission, odor, waste water, oil or oil products, lead or lead products, latex infectious or medical waste, noise, dust, fibers, germs, fungus (including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi) and electric or magnetic or electromagnetic field.

#### PRIVATE KEY(S)

A cryptographic string of alphanumeric characters from which a **Digital Address** has been mathematically derived and is valid for a given cryptocurrency, whether in the form of electronic data or affixed to physical media. For the purposes of this Policy, **Private Key** also means encrypted parts derived from, and used to reconstruct, the **Private Key**.

#### RECIPIENT

The individual designated to assume care, custody, and control at the completion of **Transit**.

#### RELATED CODE INCIDENTS

All **CODE Incidents** that are directly or indirectly based upon, caused by, result, or arise from the same, similar, or continuous **CODE Incident**.

#### ROBBERY

Unlawful taking **Digital Assets** by force or threat of force.

#### SECURE AREAS

Physical areas where the **Digital Assets** are in **Storage** as described in the **Application**.

#### SMART CONTRACT

A collection of code and data that reside within a blockchain or distributed ledger.

#### STORAGE

A location in the care, custody, and control of the **Insured**, a **Customer** or a **Third-Party Custodian**.

#### THEFT

Unlawful taking of **Digital Assets** including by way of a **Cyber Event**. **Theft** does not include **Robbery**.

#### THIRD-PARTY CUSTODIAN

A legal entity listed as such in the Declarations providing **Storage** and **Transmission** for **Digital Assets**, subject to a written agreement with the **Customer**.

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#### THIRD-PARTY CUSTODIAN SCHEDULE EFFECTIVE DATE

The **Effective Date** assigned to each **Third-Party Custodian** in the Declarations.

#### TRANSIT

The physical act of being transported while in the care, custody, and control of a **Courier** or of an employee or officer of a **Customer**. **Transit** by a **Courier** commences when the **Customer** relinquishes care, custody, and control of the **Digital Asset** to a **Courier** and ends when the **Digital Asset** has been delivered to the **Recipient** or placed in a location designated by the **Recipient**.

#### TRANSMISSION

Transmission

1. between **Customers** and **Secure Areas**;
2. between **Secure Areas**; and
3. from custody systems which are not **Secure Areas** to **Secure Areas**;

using cryptocurrency protocol. Provided however, with respect to items 1 and 3 above, there is no coverage under this Policy for **Loss** in connection with a **Transmission** to a **Secure Area** unless or until the **Insured** has possession of the **Private Key**.

## SECTION 6 – EXCLUSIONS

This Part 2 does not provide coverage for **Loss** or **Avoidance Costs** based upon or arising out of, directly or indirectly, any actual or alleged:

#### ACTS OF CUSTOMERS

**Digital Assets**, owned by **Customers** if such **Customers** or such **Customers'** officers, directors or executives have been convicted of a crime involving dishonesty, fraud, malicious conduct, intentional dishonest act(s), or securities violations within ten (10) years prior to the **CODE Incident**.

#### ACTS OF DIRECTORS OR OFFICERS

Act, error, or omission of an officer or director in his or her capacity as such or solely by reason of serving in such capacity.

#### ACTS OF OWNERS

Fraudulent, dishonest, or criminal act by any person having five percent (5%) or more ownership of the **Insured or Customer** in any form, including digital assets or tokens; **Key Personnel**; any **Executive Officer** of the **Insured or Customer**; or any of the foregoing of any corporation having an interest in any limited liability company in which the **Insured or Customer** has an interest or by a partner of any partnership of the **Insured or Customer**, whether acting alone or in collusion with others.

#### CRYPTOCURRENCY PROTOCOL

Failure, whether temporary or permanent, of a cryptocurrency protocol or the failure or unintended execution or unintended non-execution of any automated software programs running over the distributed platform supporting the cryptocurrency protocol, including smart contracts, unless created and controlled solely by the **Insured**.

#### CUSTODIAN

Loss with respect to **Digital Assets** in the care, custody, or control, of a custodian, unless they are a **Third-Party Custodian** or a **Courier**.

#### CYBER EVENT

**Cyber Event**, except the foregoing shall not apply to **Theft**.

#### DELIBERATE OR CRIMINAL ACTS OR PERSONS

Dishonest, intentional, or knowing wrongful, fraudulent, criminal, or malicious:

- a. acts, errors, or omissions; or
- b. willful violations of laws, including privacy laws or regulations;

by an **Individual Insured**, **Third-Party Custodian** or employee or officer of a **Customer** at any time after an **Executive Officer**

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of the **Insured** or **Customer** first became aware of such theft, fraud, or dishonesty.

#### **ELECTRONIC DATA**

Electronic data except as expressly covered in this Policy.

#### **FAILURE AND DETERIORATION**

Aging, gradual deterioration, or inherent defect of any software, physical hardware, or media including software, hardware or media used to store or transmit **Digital Assets**. The foregoing shall include the non-malicious failure, error or malfunction of any computer, computer system, computer software program, code, or process or any other electronic system.

#### **GOVERNMENT ACTIONS**

Seizure, confiscation, nationalization, or destruction of any computer system, or property including **Digital Assets** maintained thereon or the restriction of access of use or any limitation imposed by order of any governmental or public authority or as a consequence of any order or demand including but not limited to actions by a governmental or public authority requiring to provide law enforcement, administrative, regulatory or judicial body or other governmental authority access to business information.

#### **INDIRECT OR CONSEQUENTIAL LOSS**

Indirect or consequential loss of any kind, including, but not limited to income, earnings or profit not realized as the result of a covered loss, fees, costs, or other expenses incurred by the **Insured** to establish the existence or amount of covered loss, or fees, costs, or other expenses incurred by the **Insured** in defending or prosecuting any legal proceeding or claim.

#### **INFRASTRUCTURE**

Electrical, mechanical, Internet, telecommunication, cable or satellite failure, fluctuation or outage not under an **Insured's** or **Customer's** operational control, however caused, including but not limited to any electrical power interruption, short-circuit, surge, brownout or blackout.

#### **INTELLECTUAL PROPERTY**

Infringement, contributory infringement, misappropriation, or theft of any intellectual property rights.

#### **KIDNAPPING**

Extortion against the **Insured** or **Customer** as a consequence of any acts of kidnapping of any **Customer** or **Customer's** customer family member or partners of any **Customer** or **Customer's** customer.

#### **LOANS**

The complete or partial non-payment of, or default upon, any loan or transaction involving the **Insured** or **Customer** as a lender or borrower, or extension of credit, including the purchase, discounting, or other acquisition of false or genuine accounts, invoices, notes, agreements, or evidence of debt whether such loan, transaction, or extension was procured in good faith or through deception, artifice, fraud, or false pretenses.

#### **MARKET VALUE LOSS**

A decrease in the **Fair Market Value** of any **Digital Asset** whether due to exchange rates or otherwise.

#### **MATERIAL CHANGE**

Any **Material Change**.

#### **MONEY LAUNDERING**

**Money Laundering** by an **Insured**, **Third-Party Custodian**, or **Customer**.

#### **NUCLEAR, RADIOACTIVE, CONTAMINATION, CHEMICAL, BIOLOGICAL, BIOCHEMICAL, ELECTRONIC MAGNETIC**

Any of the following:

1. ionizing radiation from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;

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2. the radioactive, toxic, explosive, or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
3. any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
4. the radioactive, toxic, explosive, or other hazardous or contaminating properties of any radioactive matter; or
5. any chemical, biological, bio-chemical, or electromagnetic weapon.

#### **PERSONAL PROFIT**

The gaining of any profit, remuneration, or financial or non-financial advantage by an **Insured** to which the **Insured** would not be legally entitled.

#### **POLLUTION**

Any emission, discharge, dispersal, seepage, release or escape of **pollutants** or testing for, monitoring, removal, containment, treatment, detoxification, neutralization, or cleanup of any **pollutants**.

#### **PRIOR INCIDENTS**

Any **CODE Incident** first occurring prior to the **Retroactive Date** and any **Related CODE Incident** which relates to any **CODE Incident** occurring prior to the **Retroactive Date**. Any **CODE Incident** arising out of an act, error, or omission by a **Third-Party Custodian** first occurring prior to the **Third-Party Schedule Effective Date** and any **Related CODE Incident** which relates to any **CODE Incident** occurring prior to the **Third-Party Schedule Effective Date**.

#### **RANSOMWARE**

Any **Loss** or payment in respect of ransomware, either as a result of ransomware attack on the **Insured** or any third party.

#### **SANCTIONS**

Any benefit hereunder to the extent that the provision would expose that **Insurer** to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom, United States of America, or Bermuda.

#### **TRADING**

Any loss resulting from trading, with or without the knowledge of the **Insured**.

#### **TRANSMISSION OF UNKNOWN ORIGIN**

Transmission of unknown origin.

#### **SECURITIES LAW VIOLATIONS**

Violation of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, any state blue sky or securities law, any similar state or federal law, or any amendment to the above laws or any violation of any order, ruling or regulation issued pursuant to the above laws.

#### **UNINSURABLE MATTERS**

Matter(s) deemed uninsurable under the law pursuant to which the Policy is construed.

#### **VIOLATION OF STATUTE**

Any actual or alleged violation of any foreign, federal, state, or local statute, ordinance, or regulation.

#### **WAR AND TERRORISM**

Strikes or similar labor action, war, whether declared or not, invasion, act of a foreign enemy, civil war, mutiny, coup d'état, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power, or any action taken to hinder or defend against these actions; or terrorism, whether domestic or foreign.

## **SECTION 7 - KNOWLEDGE**

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#### KNOWLEDGE WHEN AN EVENT OCCURS

A **CODE Incident** will be deemed to occur when an **Executive Officer** of the **Insured** first becomes aware of facts which would cause a reasonable person to believe a **CODE Incident** has been or will be incurred, even though the exact amount or details of such loss may not then be known.

#### PRIOR KNOWLEDGE – CODE INCIDENT

It is a condition for coverage under this Policy that as of the **Retroactive Date**, no **Executive Officer** of the **Insured** had given notice to any insurer of any:

- a. **CODE Incident**;
- b. act, error, omission, fact, or circumstance reasonably likely to give rise to such **CODE Incident**, including:
  - (i) any threatened or actual cyber-attack;
  - (ii) **Physical Harm**;
  - (iii) extortion or ransom threat; or

any legal proceeding including administrative or regulatory proceedings of any kind relating to an actual or alleged **CODE Incident** other than as described in the **Application**.

#### PRIOR KNOWLEDGE – RELATED CODE INCIDENT

It is a condition for coverage under this Policy that as of the **Retroactive Date**, no **Executive Officer** of the **Insured** knew of, or had a basis to believe, that any:

- a. **Related CODE Incident**; or
- b. act, error or omission, fact, or circumstance reasonably likely to give rise to such **Related CODE Incident**, including:
  - (i) any threatened or actual cyber-attack;
  - (ii) physical attack;
  - (iii) extortion or ransom threat; or

any legal proceeding including administrative or regulatory proceedings of any kind relating to an actual or alleged **Related CODE Incident** had occurred other than as described in the **Application**.

## PART 3 – FIDELITY AND PROPERTY EXPOSURES

### SECTION 1 – COVERAGE

#### A. FIDELITY LOSS

The **Insurer** shall indemnify the **Insured** for any **Loss** to the **Insured** for which this Part 3 applies and is reported to the **Insurer** in accordance with the REPORTING OF NOTICES requirements of this Policy.

#### B. AVOIDANCE COSTS

The **Insurer** will pay for **Avoidance Costs** the **Insured** incurs during the **Period of Recovery** in response to a **Fidelity or Property Loss** that first occurs on or after the **Retroactive Date** and prior to the end of the **Policy Period** and first **Discovered** during the **Policy Period** and reported to the **Insurer** pursuant to the provisions of this Policy.

### SECTION 2 - SUPPLEMENTAL COVERAGE FOR NOTICE OF CIRCUMSTANCES

The **Insurer** may, in its sole discretion, pay supplemental **Avoidance Costs** incurred by the **Insured** when approved in writing by the **Insurer** in advance of such costs being incurred. Supplemental **Avoidance Costs** will not increase any limit of insurance and will erode and may exhaust the policy aggregate limit of insurance. No premium or fee is charged for supplemental **Avoidance Costs**.

### SECTION 3 – EXTENSIONS OF COVERAGE

Any **Loss** indemnified by the **Insurer** pursuant to this Policy shall be limited solely to **Losses to Property** experienced by the **Insured** by reason of:

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1. Employee Dishonesty (Fidelity): including any **Loss** through dishonest or fraudulent act of **Employees**;
2. Lost Property (Premises): including any **Loss** of money and **Securities** or other **Property** through robbery, burglary, **Theft**, hold-up, or other fraudulent means, mysterious disappearance, damage or destruction while within any of the **Insured's** offices, the offices of any banking institution or clearing house or within any recognized place of safe deposit;
3. Lost or Damaged Property (Transit): including any **Loss** of money and **Securities** or other **Property** through robbery, burglary **Theft**, hold-up, misplacement, mysterious disappearance, damage or destruction, while in **Transit** in the custody of any **Employee** or any person acting as messenger except while in the mail or with a carrier for hire other than an armoured motor vehicle company;
4. Forgery or Alterations: including any **Loss** through forgery or alteration of any **Cheques, Drafts, Promissory Notes** or other written orders or directions to pay sums in money, excluding **Securities**;
5. Securities: including any **Loss** through having purchased or acquired, sold or delivered, or extended any credit or acted upon **Securities** or **Similar Written Instruments** which prove to have been forged, counterfeited, raised or altered, or lost or stolen, or through having guaranteed in writing or witnessed any signatures upon any transfers, assignments or other documents or written instruments;
6. Counterfeit Currency: including the receipt by the **Insured** in good faith and in the ordinary course of business of any counterfeit paper currency or coin issued or purporting to have been issued as legal tender in any country;

And, in all events, first occurring after the **Retroactive Date** and during the **Policy Period**, and reported no later than thirty (30) days after such event is **Discovered** by the **Insured** (or would have been considered **Discovery** pursuant to Section 7 of Part 3).

In any claim, and in any action, suit or proceeding to enforce a claim under this Policy for **Loss** or damage, the burden of proving that such loss or damage does not fall within the special exclusions described in these extensions of coverage shall be upon the **Insured**.

## SECTION 4 - LIMITS AND SUBLIMITS OF INSURANCE

The limits of insurance are stated in the Declarations. The limits of insurance will not exceed the amounts stated in the Declarations regardless of the number of **Losses** that occur, are reported, or noticed to the **Insured**.

In no event is the **Insurer** responsible to pay in excess of the applicable limits of insurance. Amounts deposited or escrowed with a court of competent jurisdiction will erode and may exhaust the applicable limits of insurance.

### 1. Policy Aggregate Limit of Insurance

The **Insurers** maximum aggregate limit of insurance for all covered amounts under this Policy shall be the policy aggregate limit of insurance stated in the Declarations.

### 2. Limit of Insurance for Each Coverage

Subject to the policy aggregate limit of insurance, the **Insurers** maximum aggregate limit of insurance for all covered amounts under each coverage shall be the each coverage limit of insurance stated in the Declarations. Payments made will erode and may exhaust the each coverage limit of insurance and the policy aggregate limit of insurance.

## SECTION 5 – DEFINITIONS

The following definitions are specific to this Part 3 of this Policy.

### AVOIDANCE COSTS

1. Those costs incurred by the **Insured** to minimize covered **Loss**. **Avoidance Costs** shall be incurred solely in fulfillment of the **Insured's** obligations for loss minimization found in **COVERAGE OBLIGATIONS, GENERAL CONDITIONS, and ASSISTANCE, COOPERATION, AND CONFIDENTIALITY**.
2. Solely with respect to **SUPPLEMENTAL COVERAGE FOR NOTICE OF CIRCUMSTANCES**, those costs incurred by the **Insured** whose intention is to avert a **Fidelity or Property Loss** when a notice of circumstance is reported by the **Insured** in accordance with **REPORTING OF NOTICES**. **Avoidance Costs** shall be incurred solely in fulfillment of the **Insured's** obligations for loss minimization found in **COVERAGE OBLIGATIONS and GENERAL CONDITIONS; ASSISTANCE, COOPERATION, AND CONFIDENTIALITY**.

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3. **Avoidance Costs** do not include:

- a. amounts paid, transmitted, transferred, or in the custody of others that are recoverable by the **Insured**;
- b. any element of profit for the **Insured**;
- c. any charge or credit against any fee owed or payable to the **Insured**;
- d. costs, fees, or other expenses the **Insured** incurs to establish or document the existence or amount of **Avoidance Costs**;
- e. costs to improve storage, processes, methods, controls, or procedures;
- f. costs for the purchase of computer hardware or software licenses;
- g. costs for software development; or
- h. wages and salaries of employee or contractors in the ordinary course of performing their duties.

**BANKERS ACCEPTANCE**

A **Bill of Exchange** upon which is signified by the drawee bank its assent to the order of the Bank drawer.

**BILL OF EXCHANGE**

An unconditional order in writing addressed by one person to another, signed by the person giving it, requiring the person to whom it is addressed to pay on demand or at a fixed or determinable future time a sum certain in money to or to the order of a specified person, or to bearer.

**CERTIFICATE OF DEPOSIT**

A written acknowledgement by a bank of a deposit of funds with promise to pay to depositor to his order, or to some other person or to his order, said deposit with interest on a specified date.

**CHEQUE**

A **Bill of Exchange**, drawn on a bank directing it to pay the sum specified on demand.

**CRYPTOCURRENCY**

All types of digital currency in whatever and in the event of a **Hard Fork** then all digital currency tokens resulting therefrom.

**CUSTOMER ASSETS**

**Non-fungible Tokens, Cryptocurrency, Private Keys** used to access **Cryptocurrency** owned by **Customers**, subject to a **Customer Agreement**, in the care, custody, and control of the **Insured** or a **Third-Party Custodian**.

**DIGITAL ADDRESS**

The identifier derived from a **Private Key** that is valid for **Digital Assets**.

**DIGITAL ASSETS**

**Non-fungible Tokens, Cryptocurrency, Private Keys** used to access **Cryptocurrency**, and **Customer Assets**.

**DRAFT**

A draft payable on demand, drawn by or on behalf of a bank upon itself whether payable at the head office or other office of the **Insured**.

**EMPLOYEE(S)**

- (a) the **Insured's** officers and other full and part-time staff compensated by salary or wages and whom the **Insured** has the right to govern and direct in the performance of their duties (including a Director of the **Insured** who is employed as a salaried officer or employee) while acting in the course of their employment by the **Insured** at or from the **Insured's Premises**,
- (b) a Director of the **Insured** (other than one who is employed as a salaried officer or employee) but only while performing acts coming within the scope of the usual duties of an employee by resolution of the Board of Directors of the **Insured** while acting at or from the **Insured's Premises**,
- (c) guest students while pursuing studies or duties at any of the **Insured's Premises**,

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(d) a person provided by an employment agency to perform employee duties for the **Insured** under the **Insured's** supervision, at or from any of the **Insured's Premises**, excluding, however, any person employed as or to perform the duties of a data processor, programmer, software contractor or person performing similar duties.

#### **FAIR MARKET VALUE**

The value of **Property** in United States Dollars on the date the **Loss** first occurred, if known, or if unknown, when first **Discovered**.

#### **FIRST PARTY COSTS**

**Avoidance Costs** and **Loss**.

#### **FORGED SIGNATURE**

The handwritten signing or endorsing of the name of another genuine person without authority and with intent to deceive; provided, however, such action does not include the signing or endorsing, in whole or in part, of one's own name, with or without authority, in any capacity, for any purpose.

#### **FRAUDULENT ALTERATION**

A material alteration to an instrument for a fraudulent purpose by a person other than the person who prepared the instrument.

#### **LETTER OF CREDIT**

An engagement in writing by a bank, made at the request of a customer, that the issuer will honor drafts or other demands for payment upon compliance with the conditions specified in such Letter of Credit.

#### **LOAN(S)**

- (a) any loan or transaction in the nature of, or amounting to, a loan or extension of credit, including a lease, made by or obtained by or from the **Insured**,
- (b) any note, account, invoice, agreement or other evidence of debt, assigned or sold by or to, or discounted or otherwise acquired by the **Insured**,
- (c) any payments made or withdrawals from a customer's account involving an uncollected item and any other similar transaction.

#### **LOSS**

Direct financial loss arising from a covered event or occurrence as described in this Part 3. In the case of direct financial loss involving **Property**, **Loss** shall be calculated as the **Fair Market Value** of such **Property** lost as of the day such loss first occurred or, if unknown, was first **Discovered**.

#### **NON-FUNGIBLE TOKENS**

Cryptographic assets on a [blockchain](#) with unique identification codes and metadata.

#### **PERIOD OF RECOVERY**

The period of time commencing when the **Insured** reports the **Loss** and ending when the **Loss** is recovered or determined to be non-recoverable by the **Insurer**.

#### **PHYSICAL HARM**

Physical loss, damage or destruction of **Digital Assets** caused by or resulting from: fire, water, lightening, explosion, windstorm, flood, hail, volcanic action, earthquake, tsunami, damage from electrical current, or sinkhole collapse.

#### **POLLUTANTS**

Any substance exhibiting any hazardous characteristics as defined by, or identified on a list of hazardous substances issued by the United States Environmental Protection Agency or any federal, state, county, municipal or local counterpart thereof or any foreign equivalent. Such substances include but are not limited to solids, liquids, gaseous or thermal irritants, contaminants or smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste materials, nuclear materials, nuclear waste, asbestos, including materials to be recycled, reconditioned, or reclaimed. **Pollutants** shall also mean any air emission, odor, waste water, oil or oil

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products, lead or lead products, latex infectious or medical waste, noise, dust, fibers, germs, fungus (including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi) and electric or magnetic or electromagnetic field.

#### PREMISES

The **Insured's** office at its principal address and any permanent or temporary office occupied by the **Insured**, from which the **Insured** conducts its business and which are included in the Application, the office of another financial institution or recognised Depository having custody of **Property** for safekeeping purposes or the office of a transfer or registration agent having custody of **Property** for the purpose of exchange, conversion, registration or transfer in the usual course of business.

#### PRIVATE KEY(S)

A cryptographic string of alphanumeric characters from which a **Digital Address** has been mathematically derived and is valid for a given cryptocurrency, whether in the form of electronic data or affixed to physical media. For the purposes of this Policy, **Private Key** also means encrypted parts derived from, and used to reconstruct, the **Private Key**.

#### PROMISSORY NOTE

An unconditional promise in writing made by one person to another, signed by the maker, engaging to pay, on demand or at a fixed or determinable future time, a sum certain in money to, or to the order of, a specified person or to bearer.

#### PROPERTY

Only the following tangible items: paper currency, coins, bullion, precious metals of all kinds and in any tangible form and articles made therefrom, gems (including uncut gemstones), precious and semi-precious stones, stamps, insurance policies, travellers checks, **Cheques**, certificates of stock, bonds, coupons, and all other types of securities, bills of lading, warehouse receipts, trust receipts, **Bills of Exchange**, **Bankers Acceptances**, **Drafts**, **Certificates of Deposit**, **Letters of Credit**, **Promissory Notes**, money orders, orders upon public treasuries, title deeds, certificates of title and all other negotiable and non-negotiable instruments or contracts representing money or other property (real or personal) or representing interests in money or other property (real or personal) and other valuable papers, including books of accounts and other written records used by the **Insured** in the conduct of its business in which the **Insured** has an interest, or which are held by the **Insured** for any purpose or in any capacity and whether so held gratuitously or otherwise and whether legally liable therefor or not. **Property** does not mean any electronically recorded data in any form or debits and credits to accounts.

#### SECURITIES or SIMILAR WRITTEN INSTRUMENTS

Only the originals or what purport to be the original items set forth below:

- (a) Share certificates, bearer stock, certificates of stock, warrants or rights to subscribe, allotment letters, bonds, debentures or coupons issued by limited companies or corporations, or
- (b) Bonds similar in form to corporate bonds issued by partnerships, which bonds are secured by mortgages, deeds of trust or collateral trust agreements, or
- (c) Government or Government Guaranteed and Local Authority stocks, certificates of indebtedness, bonds, coupons or warrants issued by the Government of any Country or by any of its respective Agencies, States, Provinces, Counties, Cities, Towns or Municipalities, or
- (d) Deeds of trust, mortgages upon real property and upon interests in real property and assignments of such mortgages, or
- (e) **Promissory Notes** except:
  - (i) those issued or purporting to have been issued for use as currency, or
  - (ii) those secured or purporting to be secured directly or indirectly by assigned accounts or what purport to be assigned accounts, or
  - (iii) when payable at and paid by the **Insured**, or
- (f) **Certificates of Deposit** when pledged to the **Insured** as security for a **Loan** except **Certificates of Deposit** issued by the **Insured**, or
- (g) **Letters of Credit**.

#### STORAGE

A location in the care, custody, and control of the **Insured** or a **Third-Party Custodian**.

#### TERRORISM

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Any act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group of persons, whether acting alone or on behalf of or in connection with any organisation or government, committed for political, religious, ideological or similar purposes, including the intention to influence any government and/or to put the public, or any section of the public, in fear.

#### **THEFT**

Burglary, robbery, hold-up, and the dishonest physical taking and carrying away of **Property** or **Digital Assets** with the intention of permanently depriving the **Insured** of the **Property**.

#### **THIRD-PARTY CUSTODIAN**

A legal entity providing **Storage** for **Property**.

#### **TRADING**

Any dealings in securities, metals, commodities, futures, options, funds, currencies, foreign exchange, and the like.

#### **TRANSIT**

Shall be deemed to commence from the time the transporting person receives such items from or on behalf of the **Insured** and shall be deemed to end immediately upon delivery to the designated recipient or its agent.

#### **WITHDRAWAL RECEIPT**

A written form provided to depositors by the **Insured** for the purpose of acknowledging receipt of funds from a deposit account maintained with the **Insured** by a depositor.

## **SECTION 6 – EXCLUSIONS**

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The Part does NOT cover:

1. Any **Loss**:
  - (a) sustained prior to the **Retroactive Date** or involving any act, transaction, or event which occurred or commenced prior to the **Retroactive Date**, or
  - (b) discovered prior to the Policy's **Effective Date**, or
  - (c) discovered subsequent to the **Termination** of this Policy, or
  - (d) notified to a prior insurer.
2. Any **Loss** resulting wholly or partially from any act or omission of any Director of the **Insured** except to the extent that the Director is deemed to be an **Employee**.
3. Any **Loss** resulting directly or indirectly from any dishonest or fraudulent act of any **Employee** except to the extent that such loss is covered by Extension of Coverage No. 1.
4. Any **Loss** resulting wholly or partially from the complete or partial non-payment of or default upon any **Loan**, whether authorized or unauthorized, actual or fictitious and whether procured in good faith or through trick, artifice, false pretences or any other fraud, except to the extent that such loss is covered by Extensions of Coverage Nos. 1, 4 or 5.
5. Any **Loss** resulting wholly or partially from payments or withdrawals involving items received by the **Insured** which are not finally paid for any reason including but not limited to forgery, trick, artifice, false pretences or any other fraud, except to the extent that such loss is covered by Extensions of Coverage Nos. 1 or 5.
6. Any **Loss** resulting from payments or withdrawals involving funds which have been transferred, paid, delivered or otherwise credited to or by the **Insured** due to error, except to the extent that such loss is covered by Extension of Coverage No. 1.

7. Any **Loss** resulting directly or indirectly from forgery, counterfeiting or alteration, except to the extent that such loss is covered by Extensions of Coverage Nos. 1, 4, 5 or 6.
8. Any **Loss** resulting directly or indirectly from forgery, counterfeiting or alteration of any travellers checks or travellers letters of credit, except to the extent that such loss is covered by Extension of Coverage No. 1.
9. Any Loss resulting from **Money Laundering** by an **Insured, Third-Party Custodian, or Customer**.
10. Any **Loss** of unsold travellers checks placed in the custody of the **Insured** with authority to sell except to the extent that such loss is covered by Extensions of Coverage Nos. 1, 2 or 3 and provided also that such checks are later paid or honored by the Issuer thereof and the **Insured** is legally liable for such loss.
11. Any **Loss** resulting directly or indirectly from any items which are or purport to be bills of lading, shipping documents, warehouse receipts, trust receipts, accounts receivable, or any other bills, documents or receipts similar in nature or effect or serving a similar purpose, except to the extent that such loss is covered by Extension of Coverage No. 1, or except for the physical loss of any such item to the extent that such physical loss is covered by Extensions of Coverage Nos. 2 or 3.
12. Any **Loss** resulting from the use or purported use of any credit, debit, charge, access, convenience, identification or other cards, whether such cards were issued, or purport to have been issued, by the **Insured** or by anyone other than the **Insured**, except to the extent that such loss is covered by Extension of Coverage No. 1.
13. Any **Loss** or deprivation of income or profits, including but not limited to loss or deprivation of interest, dividends, fees, commissions and the like.
14. Any **Loss** resulting wholly or partially from the failure of a financial or depository institution (or its receiver or liquidator)
  - (a) to pay, return or deliver funds or property held by it in any capacity, or
  - (b) to reimburse the **Insured** for any loss for which the financial or depository institution or its employees are liable, except to the extent that such loss is covered by Extension of Coverage No. 1.
15. Any and all damages of any description (whether fines, penalties, punitive, exemplary or other) for which the **Insured** is legally liable, other than direct compensatory damages (but not multiples thereof) awarded to a third party to reimburse said party for funds or property actually lost which represent direct financial loss covered by this Policy.
16. Any **Loss** of or damage to any item (including **Property**)
  - (a) contained in **Customers'** safe deposit boxes, or
  - (b) held by the **Insured** in safe custody on behalf of customers other than identifiable securities actually held by the **Insured** for said customers, except to the extent that such loss or damage is covered by Extension of Coverage No. 1.
17. Any **Loss** through the surrender of **Property** as a result of a threat to do bodily harm to any person or to do damage to any **Property** whatsoever of the **Insured** or otherwise except when:
  - (a) such threat is perpetrated by an **Employee** with the intent to obtain an improper personal financial gain and such loss is covered by Extension of Coverage No. 1, or
  - (b) surrender of **Property** occurs within the **Insured's Premises** as a direct result of a threat by a person within the **Premises** to do bodily harm to a person physically present within the **Premises** and such loss is covered by Extension of Coverage No. 2, or
  - (c) surrender of **Property** occurs during **Transit** as a direct result of a threat to do bodily harm to the transporting person or persons, provided that when the **Transit** was initiated, there was no knowledge by the **Insured** of any such threat and such loss is covered by Extension of Coverage No. 3.
18. Any **Loss** of or damage to any property whatsoever by reason of wear, tear, gradual deterioration, moth or vermin.



19. Any **Loss** of or damage to any property whatsoever resulting directly or indirectly from typhoon, hurricane, cyclone, volcanic eruption, earthquake, subterranean fire or other convulsion of nature and contemporaneous or ensuing loss or damage by fire, flood or looting.
20. Any **Loss** or damage which arises directly or indirectly by reason of or in connection with strikes or similar labor action, war, whether declared or not, invasion, act of foreign enemy, hostilities or warlike operations (whether war has been declared or not), civil war, mutiny, coup d'état, rebellion, revolution, insurrection, civil commotion assuming the proportion of or amounting to a popular uprising, military rising, military or usurped power, martial law, riot or the act of any lawfully constituted Authority, or any action taken to hinder or defend against these actions; or terrorism, whether domestic or foreign. In any claim, and in any action, suit or other proceeding to enforce a claim under this Policy for loss or damage, the burden of proving that such loss or damage does not fall within this Exclusion shall be upon the **Insured**.
21. Any **Loss** or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss or any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from:
  - (a) ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel, or
  - (b) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.
22. Any Loss or damage which arises directly or indirectly by reason of or in connection with any emission, discharge, dispersal, seepage, release or escape of **pollutants** or testing for, monitoring, removal, containment, treatment, detoxification, neutralization, or cleanup of any **pollutants**.
23. Any Loss or damage which arises directly or indirectly by reason of or in connection with any benefit hereunder to the extent that the provision would expose that **Insurer** to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom, United States of America, or Bermuda.
24. Indirect or consequential loss of any nature.
25. Costs, fees and other expenses incurred by the **Insured** in establishing, or attempting to establish, the existence of or amount of **Loss** covered by this Policy.
26. Costs, fees or other expenses incurred by the **Insured** in defending any claim except legal fees and legal expenses of outside counsel to the extent recoverable as indicated in Part 3.
27. Any **Loss** resulting directly or indirectly from **Trading**, except to the extent that such loss is covered by Extensions of Coverage Nos. 1, 4 or 5.
28. Any **Loss** that is cyber-related, arising from either malicious acts (e.g. cyber-attack, infection of an IT system with malicious code) or non-malicious acts (e.g. loss of data, accidental acts or omissions) involving either tangible or intangible assets.
29. Any **Loss** resulting from the input, modification or destruction of electronic data, including programs, except to the extent that such loss is covered under Extension of Coverage No. 1.
30. Any **Loss** resulting from instructions or messages sent to the **Insured** and received by or input by the **Insured** into its computer systems or into any teletype terminal, teleprinter, video display terminal or the like except to the extent that such loss is covered under Extension of Coverage No. 1.
31. Any **Loss** resulting from **Physical Harm**, or **Theft of Digital Assets**.
32. Any **Loss** resulting directly or indirectly by reason of the **Insured** having arranged (or having failed to arrange) any item which is or purports to be a policy, contract or binder of insurance or reinsurance or any liability arising out of the **Insured's**

involvement whether as agent or principal with respect to insurance or reinsurance of any kind, including having issued (or failed to issue) any item which is, or purports to be, a policy, certificate, cover note, contract or binder of insurance or reinsurance policy, annuity or endorsement or agreement or treaty of insurance, reinsurance or suretyship, EXCEPT, however, that this General Exclusion shall not apply to loss of premium payments or the proceeds of claims payments when such loss is directly caused by the embezzlement of such payments by an **Employee** when covered under Extension of Coverage No. 1.

33. Any loss of **Property** while in the custody of any governmental postal service or overnight delivery service, including but not limited to FedEx, UPS and DHL, except when covered under Extension of Coverage No. 3.

## SECTION 7 - KNOWLEDGE

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### KNOWLEDGE WHEN AN EVENT OCCURS

A **Fidelity or Property Loss** will be deemed **Discovered** when an **Executive Officer** of the **Insured** first becomes aware of facts which would cause a reasonable person to believe such a **Loss** has been or will be incurred, even though the exact amount or details of such **Loss** may not then be known.

### PRIOR KNOWLEDGE

It is a condition for coverage under this Policy that as of the **Retroactive Date**, no **Executive Officer** of the **Insured** had given notice to any insurer of any:

- a. **Fidelity or Property Losses**
- b. act, error, omission, fact, or circumstance reasonably likely to give rise to such **Loss**, including:
  - (iv) any threatened or actual cyber-attack;
  - (v) **Physical Harm**;
  - (vi) extortion or ransom threat; or

any legal proceeding including administrative or regulatory proceedings of any kind relating to an actual or alleged **Loss** other than as described in the **Application**.



**FILING POLICY NO.:** CRM2200000001-000

**ENDORSEMENT NO.: 1**

Effective Date	August 1, 2022
Named Insured	GK8, Inc.
Policy Number	CRM2200000001-000
Issued By	Evertas Insurance Agency, LLC

**THIS ENDORSEMENT LIST CHANGES THE POLICY. PLEASE READ IT CAREFULLY**

**This endorsement modifies insurance provided under the following:**

**COVERAGE FOR DIGITAL EXPOSURES INSURANCE POLICY**

The following endorsements are added to and modify the Policy

Endorsement 1 ENDORSEMENT LIST

Endorsement 2 WAR AND CIVIL WAR EXCLUSION CLAUSE ENDORSEMENT

Endorsement 3 INSTITUTE RADIOACTIVE CONTAMINATION, CHEMICAL, BIOLOGICAL, BIO-CHEMICAL AND  
ELECTROMAGNETIC WEAPONS EXCLUSION CLAUSE ENDORSEMENT

Endorsement 4 SANCTION LIMITATION AND EXCLUSION CLAUSE ENDORSEMENT

Endorsement 5 TERRORISM EXCLUSION ENDORSEMENT

Endorsement 6 GENERAL CONDITIONS

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**POLICY NO.:** CRM2200000001-000

**ENDORSEMENT NO.:** 2

Effective Date	August 1, 2022
Named Insured	GK8, Inc.
Policy Number	CRM2200000001-000
Issued By	Evertas Insurance Agency, LLC

**This endorsement modifies insurance provided under the following:**

**COVERAGE FOR DIGITAL EXPOSURES INSURANCE POLICY**

**WAR AND CIVIL WAR EXCLUSION CLAUSE**

Notwithstanding anything to the contrary contained herein this Policy does not cover Loss or Damage directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

**NMA464**

**01/01/38**

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**FILING POLICY NO.:** CRM2200000001-000

**ENDORSEMENT NO.:** 3

Effective Date	August 1, 2022
Named Insured	GK8, Inc.
Policy Number	CRM2200000001-000
Issued By	Evertas Insurance Agency, LLC

**This endorsement modifies insurance provided under the following:**

**COVERAGE FOR DIGITAL EXPOSURES INSURANCE POLICY**

**INSTITUTE RADIOACTIVE CONTAMINATION, CHEMICAL, BIOLOGICAL, BIO-CHEMICAL AND  
ELECTROMAGNETIC WEAPONS EXCLUSION CLAUSE**

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith.

1. In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from:
  - 1.1 ionising radiations from or contamination by radioactivity from any nuclear waste or from the combustion of nuclear fuel
  - 1.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear component thereof
  - 1.3 any weapon or device employing atomic or nuclear fission and/or fusion or other reaction or radioactive force or matter
  - 1.4 the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes
  - 1.5 any chemical, biological, bio-chemical, or electromagnetic weapon.

**CL370**

**10/11/2003**

**Evertas**

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**FILING POLICY NO.:** CRM2200000001-000

**ENDORSEMENT NO.:** 4

Effective Date	August 1, 2022
Named Insured	GK8, Inc.
Policy Number	CRM2200000001-000
Issued By	Evertas Insurance Agency, LLC

**This endorsement modifies insurance provided under the following:**

**COVERAGE FOR DIGITAL EXPOSURES INSURANCE POLICY**

**SANCTION LIMITATION AND EXCLUSION CLAUSE**

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

**LMA3100**

**09/15/2010**

**Evertas**

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**FILING POLICY NO.:** CRM2200000001-000

**ENDORSEMENT NO.:** 5

Effective Date	August 1, 2022
Named Insured	GK8, Inc.
Policy Number	CRM2200000001-000
Issued By	Evertas Insurance Agency, LLC

**This endorsement modifies insurance provided under the following:**

**COVERAGE FOR DIGITAL EXPOSURES INSURANCE POLICY**

**TERRORISM EXCLUSION ENDORSEMENT**

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Assured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

**NMA2920**

**08/10/2001**

**Evertas**

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**FILING POLICY NO.:** CRM2200000001-000

**ENDORSEMENT NO.:** 6

Effective Date	August 1, 2022
Named Insured	GK8, Inc.
Policy Number	CRM2200000001-000
Issued By	Evertas Insurance Agency, LLC

**This endorsement modifies insurance provided under the following:**

**COVERAGE FOR DIGITAL EXPOSURES INSURANCE POLICY**

**GENERAL CONDITIONS**

1. Part 1, Section 7, General Conditions, of the Policy is modified by adding the following additional conditions to all coverage under the Policy:
  - a. The Insured shall not use or accept cheques, drafts, promissory notes, or other written orders or directions to pay sums in money, excluding securities. The Insured shall not change its payment policies or accept and receive non-electronic payments without prior written notice to and consent from the Program Administrator.
  - b. The Insured shall not purchase, acquire, sell, deliver, or extend and credit on or otherwise act upon securities or other written instruments without prior written notice to and consent from the Program Administrator. None of the digital assets that the Insured possesses or controls on the effective date of the Policy are securities, nor shall the Insured possess or control digital assets after the effective date of the Policy which are, or are deemed to be, securities.
  - c. The Insured shall provide advanced notice to the Program Administrator of any change of ownership control or management of Insured and any material sale of assets of the Insured, and the Insurer may cancel the Policy upon ten (10) days written notice of cancellation upon such change of control or management or sale of assets.
  - d. The Insured named in Item 1 of the Declarations to the Policy is the sole insured under the Policy and no other person or entity shall have any claims under or rights under the Policy.
  - e. The Insured shall not make any public statements or declarations about, disclosures of, or references to the Policy or the insurance coverages provided under the Policy without prior written authority of the Program Administrator. In the event of any (i) violation of the immediately preceding sentence

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6042967\_4\_CRM2200000001-000

or (ii) statements, declarations, disclosures or references to or about the Policy or the insurance coverages provided under the Policy that differ materially from those approved by the Program Administrator (if such approval is given), the Insurer may cancel the Policy immediately upon notice to the Insured and upon such cancellation the premium shall be deemed 100% earned and the Insurer shall have no obligation to return any portion of the premium to the Insured.

- f. The Policy shall be in excess of the policies identified in paragraph g., below, and any other policies that would provide coverage for a Covered Incident (and which shall be maintained by the **Insured** during the **Policy Period**). Coverage under the Policy shall be in excess of, and shall not contribute with, any other insurance available to the **Insured**.
- g. The Policy will only be in effect for covered **CODE Incidents** that impact **Customers** of the **Insured** who:
  - i. maintain separate insurance coverage under any insurance policy issued by an insurer that is AM Best A- rated or better to cover loss or theft of **Digital Assets** on the **Customer's** systems leased and operated under contract from the **Insured**; and
  - ii. have established appropriate backup and recovery procedures to enable the **Customer** to fully recover their **Digital Assets** in the event the **Insured** were to cease operating or become insolvent; and
  - iii. can demonstrate to the satisfaction of Insurers that the **Customer's** separate insurance policy does not provide coverage for loss or theft of **Digital Assets** due to coverage exclusions preventing recovery of said loss or theft occurring solely as a consequence of a failure or fault on the part of the **Insured**; and
  - iv. have brought a claim against the **Insured** for the loss or theft of **Digital Assets** stored on the **Customer's** system leased and operated under contract from the **Insured**.

For the avoidance of doubt there is no cover hereon for any **Digital Assets** in the custody of the **Insured**.



Page-1

A copy for the insured

00-5784 Faina Uri Insurance Ltd.

(6 (

- EXTRA insurance for offices

T o s p a t i n p f o

NIS

Fee insurance | 1: Addendum 22/019/063/1245481: Policy 463: Branch

Name of the insured: GK 8 Ltd

: Fresh Daniel 3

Address

||| Postal code: 64731----- || For payment in cash credit fee 0.00%| | total payable

Tel Aviv - Jaffa no. ID:

515881209/h 00:01: time 1/12/2022-

from: insurance period 24:00: time 30/11/2023-to

\*\*\*Subject to the "EXTRA insurance for offices" policy, June 2021 edition

The address of the insured was changed to: Frish Daniel 3 Tel Aviv - Jaffa

All amounts are denominated in New Shekels

Premium difference annual  
premium rate

the change

updated amount

The covered description

change

Office address:

- Fresh Daniel 3

Street

No. Home -

- Tel Aviv - Jaffa Yishuv Zip Code - 64731

Occupation code: Internet - website creation, hi-tech company

Chapter 5 - Contents of the business

1,088

200,000

The contents of the

offices are negotiated in that Chapter 5 includes the contents of the office

The extensions are as detailed below: 1.

Riots, strikes and civil riots. 2. Burglary, theft or robbery. 3.

Document recovery up to 10% of the

contents insurance amount.

000,10

According to the terms of paragraph 2 (fixed glass breakage) in which

the insurance case of chapter 6) the buildings of the business

house). Clause 3 for coverage (an amount exceeding 5% of the insurance amount of the building) is cancelled.

Page-2

A copy for the insured

00-5784 Faina Uri Insurance Ltd.

1: Addendum 22/019/063/1245481: Policy 463: Insured name branch:  
GK 8 Ltd.

Premium difference annual premium rate	the change updated amount	The covered description
---	------------------------------	-------------------------

**Chapter 7 - Computer systems and electronic equipment**  
=====

450	000,150	Subchapter A - Computerized systems
000,4	000,200	Subsection A - Laptop

Proviso B. Theft with the exception of burglary will not apply to mobile or  
portable equipment, subject to the conditions specified in the section "Extend with the addition of insurance premiums" in Chapter 7.

400	000,100	Subchapter B - data recovery
-----	---------	------------------------------

400	000,100	Subchapter C-Additional operating expenses
-----	---------	--

Reward period: 100 days. Maximum  
daily reward: 1000

The indemnity basis controls the insurance case of total loss

If the age of the insured property is over 24 months, the insurer will pay in the event  
of total loss the actual financial value of the lost item as it was close to before the  
loss occurred.

**Chapter 8 - Business income on a daily basis**  
=====

797	000,500	Office revenues on a daily basis up to a total of 5,000 for 100 days.
-----	---------	--

**Chapter 9 - Natural damage**  
=====

725	000,250,1	Storm, storm, snow, hail, and flood in force
-----	-----------	--

In storm damage, snow, hail and flood, the insured will pay a deductible of 5% of  
the damage, but not less than NIS 868.8 and not more than NIS 675.88.

1,450	1,250,000	In effect a shaking earth
-------	-----------	---------------------------

Page-3

A copy for the insured

00-5784 Faina Uri Insurance Ltd.

1: Addendum 22/019/063/1245481: Policy 463: Insured name branch: GK 8 Ltd.

Premium difference annual  
premium rate

updated  
amount

the change

The covered description

2,890

#### Chapter 10 - Liability of employers

##### 36 - Number of employees

Maximum limits for the company's liability: The

company's liability according to this chapter on employers' liability shall not exceed the sums stated below, in Shekel equivalents according to the exchange rate presented for the day of payment of the insurance benefits. A.

20,000,000 NIS - the limit of liability for the payment of compensation

due to an insurance case for one employee. B. 000,000,00 NIS

- the limit of liability for the total amount of compensation to be paid

by the insurer according to this policy for all insurance cases that occurred during the

insurance period. third. 20,000,000 NIS - the limit of liability for the

whole

The claims for insurance cases that caused bodily harm or death as a result of accidents or illnesses arising from one factor or one original reason; This is subject to the limits of responsibility stated in sections A and B above.

The company will also indemnify the insured for all reasonable expenses that will be incurred in its agreement to defend against a claim for compensation for the insurance case.

\* Clarification:

\* The premium is based on the number of employees, \* the insured undertakes to notify the insurer of any increase in the number\* \* of employees and to pay an additional premium accordingly.

#### Chapter 11 - Third party liability

Limits of responsibility:

680,2

Liability limit for damage and for the entire insurance period 12,000,000.

536

#### Expand work in customer homes

It is agreed that the extension 6(1) (extend work in customers' homes) is in effect.

It is hereby declared that this policy does not cover: 1.

Financial financial damage that is not a direct result of the physical damage to a damaged third party's property.

Page-4

A copy for the insured

00-5784 Faina Uri Insurance Ltd.

1: Addendum 22/019/063/1245481: Policy 463: Insured name branch: GK 8 Ltd.

Premium difference annual premium rate	updated	the change	The covered description
	amount		
			2. Air pollution or water pollution or soil pollution, but with the exception of pollution that is the result of a sudden and unexpected accident
			predictable.
-1,901	30.00 %		Discount
379,8 -			A special offer

Pandemic exception:  
 =====

If insurance coverage for one or more parts of the property is purchased as part of this policy, the following exception will apply:

.....

\* Pandemic exception - insurance/property liquidations:

\* Notwithstanding what is stated in all the terms and conditions of the policy, this policy, for all \* the property chapters therein, does not cover any loss, damage, liability, expense, fines, \* claim or any other amount/damage, caused either directly or indirectly \* including due to fear or a threat (whether actual or merely perceived) \* from one or more of these:

A parasite or organism that constitutes an infectious disease \* 1. Disease, bacteria, virus (whether symptomatic or not). \* 2. Infectious diseases that have been declared by the World Health Organization or by an authorized government authority as an epidemic (hereinafter: "the declaration"). \* 3. The corona virus (19-COVID (for any mutation or variation thereof.

\* It should be emphasized that this exception will also apply to insurance events that preceded the date of the announcement. \*

\* For the avoidance of doubt, it is hereby clarified that this exception applies in full to damages as stated \* above, whether they are covered by the State of Israel (all or part of them) or \* or not.

.....

If purchased as part of this policy, insurance coverage for one or more liabilities will apply

The following exception:

.....

\* Pandemic exception - insurance/liability episodes:

\* Notwithstanding what is stated in all the terms and conditions of the policy, this policy, for all the liability chapters \* in it, does not cover any loss, damage, liability, expense, fines, claim \* \* or any other amount/damage, caused either directly or indirectly, including due to fear \* \* or threat (whether actual or merely perceived) of an epidemic which has been declared as such \* \* by the World Health Organization or by an authorized governmental authority

Page-5

A copy for the insured

00-5784 Faina Uri Insurance Ltd.

1: Addendum 22/019/063/1245481: Policy 463: Insured name branch: GK 8 Ltd.

Premium difference annual premium rate	updated	the change	The covered description
	amount		

\* (hereinafter: "the announcement"), including but not limited to the corona virus (19-COVID (on any \* \* mutation or variation thereof.

\* It should be emphasized that this exception will also apply to insurance events that preceded the date of the announcement. \*

\* For the avoidance of doubt, it is hereby clarified that this exception applies in full to damages as stated \* \* above, whether they are covered by the State of Israel (all or part of them) or \* or not.

Clarification: Further to the epidemic exception, it will be clarified that the obligation to prove the existence of the circumstances of the epidemic exception detailed above (meaning that it is damage resulting from an epidemic) falls on

The insurer's shoulders.

Cyber-property exception  
=====

Exception for property chapters:

If insurance coverage for one or more parts of the property is purchased as part of this policy, the following exception will apply:

\*\*\*\*\*

\* This insurance policy does not insure loss, damage, \* liability, responsibility, claim, fine, cost or expense of any kind and from \* arising from this either directly or indirectly by \* and/or in connection with or as a result of:

\* 1. Cyber loss. \* 2. Destruction, distortion, erasure, mutilation and/or loss of use or decrease in functionality, Repair, replacement, restoration or duplication of electronic data and includes any amount relating to the value of such data.

\* This exception will not apply for physical damage caused to tangible property and/or for

\* Consequential loss (if purchased under the policy) covered under the policy

\* As a result of the realization of one or more of the insured risks.

\* Definitions:

\* "Cyber loss" means: any loss, damage, liability, responsibility, \* claim, cost or expense of any kind directly \* or indirectly caused by, as a result of and/or \* in connection with any cyber operation or cyber incident, including but not limited to \* For any action taken for control, prevention, correction or reduction

5

הפניקס השקעות, ביטוח ופניקס

שליחת מסמכים חיסכון  
ארוך טווח ובריאות  
03-7337986 פקס: F1@fnx.co.il

שליחת מסמכים  
כלליים  
infom@fnx.co.il

פניות למוקד שירות  
בצ'אט ומידע אישי  
www.fnx.co.il

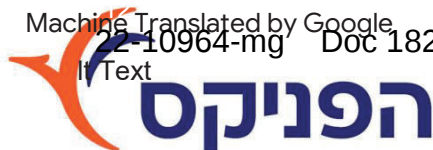
ליברורים עם נציג  
infom@fnx.co.il  
054-9893455  
03-7332222 | \*3455

משרד ראשי  
רח' דרך השלום 53,  
נבעתים 5345433

קבלת קהל (בתואר מראש)  
רח' רחבעם זאבי 2,  
נבעת שמואל

הפניקס חברה לביטוח ופניקס פסיקה וגמל בע"מ

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Page-6

A copy for the insured

00-5784 Faina Uri Insurance Ltd.

1: Addendum 22/019/063/1245481; Policy 463; Insured name branch: GK 8 Ltd.

Premium difference annual premium rate

updated

the change

amount

### The covered description

\* of the cyber operation or incident, including but not limited to loss of profit, \* loss of income, payment of blackmail/ransom threats/ crisis management.

\* "Cyber act" means: \* an unauthorized, malicious or

criminal act \* or a series of unauthorized, malicious or criminal acts regardless of time \* or

place or threat or fraud relating to the access, processing or operation \* of any computer system including but not Only introducing spyware, \* malware, worms, trojans. \* Violation of privacy, violation of the autonomy of the will, violation of the privacy law, \* Unauthorized disclosure and publication of personal and business data and information of customers and/or \* third parties.

\* "Cyber incident" means: \* any error or omission or series

of errors or omissions \* relating to access, processing, use or operation of a computer system or inaccessibility \*  
or partial or total failure to access, processing, use or operation \* of a computer system any

\* "Computer system" means: any computer, computer programs, hardware, software, \* communication system, electronic device (including but not limited to: \* mobile phone, \* laptop computer, tablet), server, cloud or micro controller including any similar system or any configuration \*\* of the foregoing and any peripheral device, storage device, network equipment or \* backup utility.

\* "Electronic data" means: \* facts, concepts, code or any other information

of any kind, \* converted into a form that can be used for access, processing, \* transmission or storage by a computer or computer system.

### Cyber-liability exception

### Exception for hidden episodes

If insurance coverage for one or more liabilities is purchased as part of this policy, the following exception will apply:

\* This insurance policy does not insure loss, damage, \* liability, responsibility, claim, fine, cost or expense of any kind and from \* arising from this either directly or indirectly by \* and/or in connection with or as a result of:

\* 1. Cyber loss. \* 2. Destruction.

distortion, erasure, mutilation and/or loss of use or decrease in functionality.





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A copy for the insured

00-5784 Faina Uri Insurance Ltd.

1: Addendum 22/019/063/1245481: Policy 463: Insured name branch: GK 8 Ltd.

Premium difference annual premium rate	updated amount	the change	The covered description
---	-------------------	------------	-------------------------

Below or not stated in the appropriate chapter of the policy and except for chapter 9 -  
natural damages will be deducted, NIS 2,000.

- From all damage covered under the extension "personal belongings" a total of NIS 400.

- From any damage covered under the extension "Broken signs,  
names and glass" a total of NIS 1,000.

- From any damage covered under the employer's liability chapter,  
NIS. a total of 4,000

- The insured will bear an amount equal to 20,000 NIS in each claim  
for an occupational disease.

- from any damage covered according to chapter 11) third party) a  
NIS. total of 4,000

- From any damage according to the loss of income chapter 4 days  
Work first.

For Chapter 7 Subsection A - Computers NIS 1,000.000.

For chapter Mishna A'-laptop 800.1 NIS  
per claim.

Chapter 7 Subsection B - data recovery 4,000 NIS from each claim.

For Chapter 7 Subsection C - Additional operating expenses  
on operating days from each claim:

10% of the number of days of the maximum compensation requested.

It is hereby declared and agreed that the policy does not  
cover liability caused by ceilings built using the "Fel-Kel"  
method in a building owned and/or used by the insured.

It is clarified that:

A. The policy does not cover damage to cables, poles (electricity and/or telephone and/or  
communication lines), above or below the surface of the ground, which are  
more than 500 meters away from the premises.

B. The policy does not cover damage to access roads, infrastructure, sidewalks, roads,  
bridges, access tunnels, water conduits and pipes unless they are part of the area  
of the insured premises and are included in the insurance amount.

8

הפניקס השקעות, ביטוח ופיונסים

שליחת מסמכים חיסכון  
ארוך טווח ובריאות  
03-7337986 פקס: F1@fnx.co.il

שליחת מסמכים  
כלליים  
infom@fnx.co.il

פניות למוקד שירות  
בצ'אט ומידע אישי  
www.fnx.co.il

לברורים עם נציג  
infom@fnx.co.il  
054-9893455 03-7332222 | \*3455

משרד ראשי  
רח' דרך השלום 53,  
נבועת 5345433  
קבלת קהל (בתאום מראש)  
רח' רחבעם זאבי 2,  
נבועת שמואל  
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הפניקס חברה לביטוח בע"מ, חברה בבעלות הפניקס השקעות, ביטוח ופיונסים

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A copy for the insured

00-5784 Faina Uri Insurance Ltd.

1: Addendum 22/019/063/1245481: Policy 463: Insured name branch: GK 8 Ltd.

Premium difference annual  
 premium rate

the change

updated amount

The covered description

\*\*\*\*\*

It is hereby declared and agreed that the insurance according to the property insurance chapters of this policy covers only physical damage to tangible property. For the prevention of physical damage to tangible property does not include damage to software and/or electronic information. Notwithstanding the above and subject to all other terms of the policy and its sections It is hereby clarified that:

A. Damage to off-the-shelf software resulting from physical damage to hardware - covered. B. If the policy includes an extension for data recovery, data recovery due to damage to the software and electronic information resulting from the physical damage to the hardware in which they are stored - covered.  
 third. Informative value of software and information - not covered.

It is hereby declared and agreed that

For the avoidance of doubt, it is hereby emphasized that the insurance amount or insurance amounts stated in the list of the policy are not agreed upon amounts. The insurance amount specified in the list is the maximum amount for the indemnification obligation by the insurer under the control of the insurance case, and this is subject to all the terms of the policy. Without detracting from what is stated in the general stipulations to the policy and the stipulations to the liability of the insurer, the insured must verify and be careful to carry out everything required in the policy and/or in the list regarding the installation and full operation of the measures, detailed therein, to mitigate the risks, insured in this policy. In the event that the insured did not take measures to mitigate the risk and/or did not implement them, in accordance with what is detailed in the policy or in the list, the insurer will be entitled to cancel the policy or reduce its liability, all subject to the provisions of the law, and its limitations.

Geographical border - Israel

It is hereby declared and agreed that the policy covers an insurance event that occurred in the territory of the State of Israel and the territories held by it (with the exception of the autonomous territories), unless otherwise stated in the list.

Procedure for performing hot work  
 =====

As a means of mitigating the risk, the insured must act according to the procedure below:

The applicability of this procedure to all policy chapters where the term "hot work" is valid means: the performance of construction, construction, assembly, renovation and other works involving welding and/or cutting and/or the use of any process or activity  
 Type and description that are performed using heat or that create heat or sparks when performed, whether these are performed by the insured's employees or by contractors or their employees.

Page-10

A copy for the insured

00-5784 Faina Uri Insurance Ltd.

1: Addendum 22/019/063/1245481: Policy 463: Insured name branch: GK 8 Ltd.

Premium difference annual premium	updated	the change	
rate	amount		The covered description

The insured will not allow hot work to be done on the premises except as detailed in this procedure, and the insured must take special precautions and safety measures as follows:

1. When performing works in the heat, the insured will take care to remove combustible materials (including crates, wood scraps, paper and cardboard) that can be evacuated from the area where the works are being done in the heat to a reasonable distance of not less than 10 meters from the place where the works are performed, taking into account as much as possible normal wind directions.

2. During the execution of the works in the heat, there will be at least one person in the area of the execution of these works who will oversee them and who will be able to call the fire authorities

the fire

This person will be present at the place a reasonable time after the completion of the heat works.

3. It will be brought to the attention of the subcontractors working on the site that they must ensure the existence of reasonable extinguishing measures when performing hot work and in the place where it is performed.

4. If the insured does not have the knowledge necessary for this, he will ensure the employment of a safety officer whose role will be to guide the execution of the works and supervise their execution.

Assessing the damage after the insurance event has occurred

Inspections of an insurance case The insurer may appoint an appraiser on its behalf for the purpose of checking the causes of the damage, its circumstances and assessing the amount of the damage. In case of differences of opinion regarding the assessment of the amount of damage, the insured may appoint an appraiser on his behalf for the purpose of submitting a counter appraisal report and the insurer will reconsider his position, referring to the counter appraisal provided to him by the insured. The cost of the fee for the counter evaluation will be applied to the insured unless otherwise agreed.

\*\*\*\*\*

\* For your

information, \* centralized information of all your insurance products in all insurance companies in Israel \* The Insurance and Savings Capital Market Authority has a secure website that allows you to see \* in a centralized manner your insurance products in all insurance companies in Israel, based on data \*\* that we will transfer to them. If you do not wish for us to transfer the data, you must inform \* us of this through the company's website at: IL.CO.FNX in the personal area, \*\* or through the customer service hotline at 7141000-03 \* Please note, failure to transfer the data will prevent you from viewing the website The secure internet \*\* your insurance products in all insurance companies in Israel.

10

הפניקס השקעות, ביטוח ופניקס

שליחת מסמכים חיסכון  
 ארוך טווח ובריאות  
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 www.fnx.co.il

לברורים עם נציג  
 infom@fnx.co.il  
 054-9893455 03-7332222 | \*3455

משרד ראשי  
 רח' דרך השלום 53,  
 נבעתים 5345433  
 קבלת קהל (בתואר מראש)  
 רח' רחבעם זאבי 2,  
 נבעת שמואל

הפניקס חברה לביטוח ופניקס השקעות

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Page-11

A copy for the insured

00-5784 Faina Uri Insurance Ltd.

1: Addendum 22/019/063/1245481: Policy 463: Insured name branch: GK 8 Ltd.

Premium difference annual  
premium rate

the change

updated amount

The covered description

\* To the extent that a notice of such removal was given by you to the company in the past, this notice \* should be considered canceled.

#####  
# All other policy conditions remain unchanged #  
#####

In the name of the company: Almog

Nina The  
Phoenix Insurance Company Ltd

Print date: 12/12/2022) Reprint on 12/12/2022 (Customer ID: 515881209/H  
Secondary ID: 5446170

13304.77 : Index

25275: Than 25275: Keys 12/2022: Bordro month

cluster: center

Team: Shmulik Barzani team

Signed: Nina Almog

Data from those requesting an insurance certificate:

Agent's name: Faina Uri Insurance Ltd

A copy for the insured



Exhibit E: Original office insurance in Hebrew

5784-00 פיינה אורי ביטוח בע"מ עותק למבוטח דף-1

תוספת אינפורמציה - ביטוח EXTRA למשרדים (6)

שקל חדש

ענף: 463 פוליסה: 22/019/063/1245481 תוספת: 1

שם המבוטח: ג'י קיי 8 בע"מ

כתובת: פריש דניאל 3  
תל אביב - יפו מיקוד: 64731

מס. מזהה: 515881209 ח

תקופת הביטוח: מ-1/12/2022 שעה: 00:01 עד-30/11/2023 שעה: 24:00

0.00% דמי אשראי לתשלום במזומן

סה"כ לתשלום

\*\*\*בכפופות לפוליסת "ביטוח EXTRA למשרדים" מהדורת יוני 2021\*\*\*

כתובת המבוטח שונתה ל: פריש דניאל 3 תל אביב - יפו

כל הסכומים נקובים בשקל חדש

תאור הכסוי	השינוי	סכום מעודכן	שעור הפרמיה	הפרש פרמיה שנתית
כתובת המשרד:	שינוי			
רחוב - פריש דניאל				
מס' בית - 3				
ישוב - תל אביב - יפו				
מיקוד - 64731				
קוד העיסוק: אינטרנט-הקמת אתרים, חברת הייטק				
פרק 5 - תכולת בית העסק				
תכולת המשרדים		200,000		1,088
מו"מ בזה כי פרק 5 תכולת המשרד כולל את ההרחבים כמפורט מטה:				
1. פרעות, שביתות ומהומות אזרחיות.				
2. פריצה, גניבה או שוד.				
3. שחזור מסמכים עד 10% מסכום ביטוח התכולה.				
על פי תנאי ס"ק ב' (שבר זכויות קבועה) בה מקרה הביטוח של פרק 6 (מבני בית העסק).		10,000		
סייג 3 לכיסוי (סכום העולה על 5% מסכום הביטוח של המבנה) מבוטל.				



# הפניקס

5784-00 פיינה אורי ביטוח בע" עותק למבוטח דף-2

ענף: 463 פוליסה: 22/019/063/1245481 תוספת: 1  
שם המבוטח: ג'י קי 8 בע"מ

תאור הכסוי	השינוי	סכום מעודכן	שעור הפרמיה	הפרש פרמיה שנתית
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פרק 7 - מערכות ממוחשבות וציוד אלקטרוני

פרק משנה א' - מערכות ממוחשבות	150,000	450		
-------------------------------	---------	-----	--	--

פרק משנה א' - מחשב נייד	200,000	4,000		
-------------------------	---------	-------	--	--

סייג ב' גניבה למעט פריצה לא יחול לגבי ציוד נייד או נישא, בכפוף לתנאים המפורטים בסעיף "הרחב בתוספת דמי ביטוח" בפרק 7.

פרק משנה ב' - שחזור נתונים	100,000	400		
----------------------------	---------	-----	--	--

פרק משנה ג' - הוצאות תפעול נוספות	100,000	400		
-----------------------------------	---------	-----	--	--

תקופת הגמולה: 100 ימים.  
גמולה יומית מירבית: 1000

בסיס השיפוי בקרות מקרה ביטוח של אובדן מוחלט

היה גיל רכוש המבוטח מעל 24 חודשים ישלם המבוטח במקרה אובדן מוחלט את ערכו הממשי הכספי של הפריט שאבד כפי שהיה סמוך לפני קרות האובדן.

פרק 8 - הכנסות העסק על בסיס יומי

הכנסות המשרדים על בסיס יומי עד לסך 5,000 ל- 100 יום.	500,000	797		
--	---------	-----	--	--

פרק 9 - נזקי טבע

סופה, סערה, שלג, ברד, ושטפון בתוקף	1,250,000	725		
------------------------------------	-----------	-----	--	--

בנזקי סופה סערה שלג ברד ושטפון ישא המבוטח בהשתתפות עצמית בשיעור 5% מהנזק אך לא פחות מ 8,868 ש"ח ולא יותר מ 88,675 ש"ח.

רעידת אדמה בתוקף	1,250,000	1,450		
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5784-00 פיינה אורי ביטוח בע"מ עותק למבוטח דף-3

ענף: 463 פוליסה: 22/019/063/1245481 תוספת: 1  
שם המבוטח: ג'י קיי 8 בע"מ

תאור הכסוי	השינוי	סכום מעודכן	שעור הפרמיה	הפרש פרמיה שנתית
------------	--------	-------------	-------------	------------------

המבוטח ישא בהשתתפות עצמית בשעור 10% מסכום הביטוח ולא פחות מ 26,603 ש"ח ולא יותר מ 4,433,750 ש"ח.

פרק 10 - חבות מעבידים

2,890

מספר עובדים - 36  
גבולות מירביים לאחריות החברה:  
אחריות החברה על פי פרק חבות מעבידים זה לא תעלה על הסכומים הנקובים להלן, בשווים השקלי לפי שער חליפין יציג ליום תשלום תגמולי הביטוח.  
א. 20,000,000 ש"ח - גבול האחריות לתשלום פיצויים בשל מקרה ביטוח לעובד אחד.  
ב. 20,000,000 ש"ח - גבול האחריות לסכום הפיצויים הכולל שישלם המבוטח על פי פוליסה זו בגין כל מקרי הביטוח שארעו בתקופת הביטוח.  
ג. 20,000,000 ש"ח - גבול האחריות למכלול התביעות בגין מקרי ביטוח שעילתן היזק גופני או מוות כתוצאה מתאונות או מחלות הנובעות מגורם אחד או מסיבה מקורית אחת; זאת בכפוף לגבולות האחריות הנקובים בסעיפים א' ו- ב' לעיל.  
כן תשפה החברה את המבוטח בגין כל ההוצאות הסבירות שיעשו בהסכמתה להגנה בפני תביעה לפיצוי בגין מקרה הביטוח.

\*\*\*\*\*  
\* הבהרה: \*  
\* ----- \*  
\* הפרמיה מתבססת על מספר העובדים, \*  
\* המבוטח מתחייב להודיע למבוטח על כל הגדלה במספר \*  
\* העובדים ולשלם פרמיה נוספת בהתאם. \*  
\*\*\*\*\*

פרק 11 - אחריות כלפי צד שלישי

2,680

גבולות האחריות:  
גבול אחריות לנזק ולכל תקופת הביטוח 12,000,000.

536

הרחב עבודות בבתי לקוחות  
מוסכם כי הרחב ו' (1) הרחב עבודה בבתי לקוחות-בתוקף.  
מוצהר בזה כי פוליסה זאת אינה מכסה:  
1. נזק פיננסי כספי שאינו תוצאה ישירה של הנזק הפיזי לרכוש צד שלישי שניזוק.

3



דף-4

עותק למבוטח

5784-00 פיינה אורי ביטוח בע"

ענף: 463 פוליסה: 22/019/063/1245481 תוספת: 1  
שם המבוטח: ג'י קיי 8 בע"מ

תאור הכסוי	השינוי	סכום מעודכן	שעור הפרמיה	הפרש פרמיה שנתית
------------	--------	-------------	-------------	------------------

2. זיהום אויר או זיהום מים או זיהום קרקע, אך למעט זיהום שהינו תוצאה של אירוע תאונתי פתאומי ובלתי צפוי מראש.

הנחה 30.00 % -1,901

הנחת מבצע מיוחד -8,379

חריג מגפה:

במידה ונרכש במסגרת פוליסה זאת כיסוי ביטוחי לאחד או יותר מפרקי הרכוש יחול החריג הבא:

\*\*\*\*\*  
\* חריג מגפות- ביטוחי/פרקי רכוש: \*  
\*  
\* על אף האמור בכל תנאי וסייגי הפוליסה, פוליסה זו, על כל \*  
\* פרקי הרכוש שבה, אינה מכסה כל אובדן, נזק, חבות, הוצאה, קנסות, \*  
\* תביעה או כל סכום/נזק אחר, שנגרם בין במישרין ובין בעקיפין \*  
\* לרבות בשל חשש או איום (בין אם בפועל ובין אם נתפס בלבד) \*  
\* מאחד או יותר מאלה: \*  
\*  
\* 1. מחלה, חידק, וירוס, טפיל או אורגניזם המהווים מחלה מדבקת \*  
\* (בין אם סימפטומטיים ובין אם לאו). \*  
\* 2. מחלות מידבקות אשר הוכרו על ידי ארגון הבריאות העולמי או \*  
\* על ידי רשות ממשלתית מוסמכת כמגיפה (להלן: "ההכרזה"). \*  
\* 3. וירוס הקורונה (COVID-19) על כל מוטציה או וריאציה שלו. \*  
\*  
\* יודגש כי חריג זה יחול גם על אירועים ביטוחיים שקדמו למועד ההכרזה. \*  
\*  
\* למען הסר ספק, מובהר בזאת כי חריג זה חל במלואו על נזקים כאמור \*  
\* לעיל, בין אם הם מכוסים ע"י מדינת ישראל (כולם או חלקם) ובין \*  
\* אם לאו. \*  
\*\*\*\*\*

במידה ונרכש במסגרת פוליסה זאת כיסוי ביטוחי לאחד או יותר מפרקי החבויות יחול החריג הבא:

\*\*\*\*\*  
\* חריג מגפות- ביטוחי/פרקי חבויות: \*  
\*  
\* על אף האמור בכל תנאי וסייגי הפוליסה, פוליסה זו, על כל פרקי \*  
\* החבויות שבה, אינה מכסה כל אובדן, נזק, חבות, הוצאה, קנסות, תביעה \*  
\* או כל סכום/נזק אחר, שנגרם בין במישרין ובין בעקיפין לרבות בשל חשש \*  
\* או איום (בין אם בפועל ובין אם נתפס בלבד) ממגפה אשר הוכרזה ככזאת \*  
\* על ידי ארגון הבריאות העולמי או על ידי רשות ממשלתית מוסמכת \*  
\*\*\*\*\*



5784-00 פיינה אורי ביטוח בע"מ עותק למבוטח דף-5

ענף: 463 פוליסה: 22/019/063/1245481 תוספת: 1  
שם המבוטח: ג'י קיי 8 בע"מ

תאור הכסוי	השינוי	סכום מעודכן	שעור הפרמיה	הפרש פרמיה שנתית
<p>*(להלן: "ההכרזה"), לרבות אך לא רק וירוס הקורונה (COVID-19) על כל</p> <p>* מוטציה או וריאציה שלו.</p> <p>* יודגש כי חריג זה יחול גם על אירועים ביטוחיים שקדמו למועד ההכרזה.</p> <p>* למען הסר ספק, מובהר בזאת כי חריג זה חל במלואו על על נזקים כאמור</p> <p>* לעיל, בין אם הם מכוסים ע"י מדינת ישראל (כולם או חלקם) ובין</p> <p>* אם לאו.</p> <p>*****</p>				

הבהרה: בהמשך לחריג המגפות, יובהר כי החובה להוכחת קיום נסיבות חריג המגפות המפורט מעלה (כלומר שמדובר בנזק הנובע ממגפה) מוטלת על כתפי המבוטח.

**חריג סייבר-רכוש**

=====  
חריג עבור פרקי רכוש:  
-----

במידה ונרכש במסגרת פוליסה זאת כיסוי ביטוחי לאחד או יותר מפרקי הרכוש יחול החריג הבא:

\*\*\*\*\*

\* פוליסת ביטוח זו אינה מבטחת אובדן, נזק,

\* חבות, אחריות, תביעה, קנס, עלות או הוצאה מכל סוג ומן

\* שינבעו מכך בין במישרין ובין בעקיפין על ידי

\* ו/או בקשר עם או כתוצאה מ:

\* 1. הפסד סייבר.

\* 2. הרס, עיוות, מחיקה, השחתה ו/או אובדן שימוש או ירידה בתפקודיות,

\* תיקון, החלפה, שחזור או שכפול של נתונים אלקטרוניים

\* וכולל כל סכום הנוגע לערך של נתונים אלה.

\* חריג זה לא יחול בגין נזק פיזי אשר נגרם לרכוש מוחשי ו/או בגין

\* אובדן תוצאתי (במידה ונרכש במסגרת הפוליסה) המכוסה במסגרת הפוליסה

\* כתוצאה מהתממשות אחד או יותר מהסיכונים המבוטחים.

\* -----

\* הגדרות:

\* -----

\* "הפסד סייבר" פירושו: כל אובדן, נזק, חבות, אחריות,

\* תביעה, עלות או הוצאה מכל סוג שהוא שנגרם במישרין

\* או בעקיפין על ידי, כתוצאה ו/או

\* בקשר לכל פעולת סייבר או אירוע סייבר, לרבות אך לא מוגבל

\* לכל פעולה שנקטת לצורך שליטה, מניעה, תיקון או צמצום



5784-00 פיינה אורי ביטוח בע" עותק למבוטח דף-6

ענף: 463 פוליסה: 22/019/063/1245481 תוספת: 1  
שם המבוטח: ג'י קי 8 בע"מ

תאור הכסוי	השינוי	סכום מעודכן	שעור הפרמיה	הפרש פרמיה שנתית
*	של פעולת או אירוע הסייבר, כולל אך לא רק אבדן רווח, אבדן הכנסה, תשלום איומי סחיטה/כופר/ניהול משברים.			*
*	"פעולת סייבר" פירושו:			*
*	פעולה בלתי מורשית, זדונית או פלילית			*
*	או סדרה של מעשים לא מורשים, זדוניים או פליליים ללא תלות בזמן			*
*	או מקום או איום או תרמית הנוגעים לגישה, עיבוד או הפעלה			*
*	של מערכת מחשב כלשהי לרבות אך לא רק החדרת תוכנות רוגלה, תוכנות זדוניות, תולעים, סוסים טרויאניים.			*
*	פגיעה בפרטיות, פגיעה באוטונומיה של הרצון, הפרת חוק הפרטיות, חשיפה ופרסום לא מורשים של נתונים ומידע אישי ועסקי של לקוחות ו/או צדדים שלישיים.			*
*	"אירוע סייבר" פירושו:			*
*	כל טעות או מחדל או סדרה של טעויות או מחדלים הנוגעים לגישה, עיבוד, שימוש או הפעלה של מערכת מחשב או אי נגישות או כשל חלקי או מוחלט לגישה, עיבוד, שימוש או הפעלה של מערכת מחשב כלשהי.			*
*	"מערכת מחשב" פירושה: כל מחשב, תכניות מחשב, חומרה, תוכנה, מערכת תקשורת, מכשיר אלקטרוני (כולל אך לא מוגבל לטלפון חכם, מחשב נייד, טאבלט), שרת, ענן או בקר זעיר כולל כל מערכת דומה או כל תצורה של האמור לעיל וכולל כל קלט, פלט, התקן אחסון נתונים, ציוד רשת או כלי גיבוי.			*
*	"נתונים אלקטרוניים" פירושו:			*
*	עובדות, מושגים, קוד או כל מידע אחר מכל סוג שהוא, שהומר לצורה שאפשר להשתמש בה לצורך גישה, עיבוד, שידור או אחסון על ידי מחשב או מערכת ממוחשבת.			*

חריג סייבר-חביות

חריג עבור פרקי חביות

במידה ונרכש במסגרת פוליסה זאת כיסוי ביטוחי לאחד או יותר מפרקי החביות יחול החריג הבא:

- \*\*\*\*\*
- \* פוליסת ביטוח זו אינה מבטחת אובדן, נזק, חבות, אחריות, תביעה, קנס, עלות או הוצאה מכל סוג ומן שינבעו מכך בין במישרין ובין בעקיפין על ידי ו/או בקשר עם או כתוצאה מ:
  - \* 1. הפסד סייבר.
  - \* 2. הרס, עיוות, מחיקה, השחתה ו/או אובדן שימוש או ירידה בתפקודיות,



דף-7

עותק למבוטח

5784-00 פיינה אורי ביטוח בע"

ענף: 463 פוליסה: 22/019/063/1245481 תוספת: 1  
שם המבוטח: ג'י קיי 8 בע"מ

תאור הכסוי	השינוי	סכום מעודכן	שעור הפרמיה	הפרש פרמיה שנתית
* תיקון, החלפה, שחזור או שכפול של נתונים אלקטרוניים וכולל כל סכום הנוגע לערך של נתונים אלה.				*
* הגדרות:				*
* "הפסד סייבר" פירושו: כל אובדן, נזק, חבות, אחריות, תביעה, עלות או הוצאה מכל סוג שהוא שנגרם במישרין או בעקיפין על ידי, כתוצאה ו/או				*
* בקשר לכל פעולת סייבר או אירוע סייבר, לרבות אך לא מוגבל לכל פעולה שנקטת לצורך שליטה, מניעה, תיקון או צמצום של פעולת או אירוע הסייבר, כולל אך לא רק אבדן רווח, אבדן הכנסה, תשלום איומי סחיטה/כופר/ניהול משברים.				*
* "פעולת סייבר" פירושו:				*
* פעולה בלתי מורשית, זדונית או פלילית				*
* או סדרה של מעשים לא מורשים, זדוניים או פליליים ללא תלות בזמן או מקום או איום או תרמית הנוגעים לגישה, עיבוד או הפעלה של מערכת מחשב כלשהי לרבות אך לא רק החדרת תוכנות רוגלה, תוכנות זדוניות, תולעים, סוסים טרויאניים.				*
* פגיעה בפרטיות, פגיעה באוטונומיה של הרצון, הפרת חוק הפרטיות, חשיפה ופרסום לא מורשים של נתונים ומידע אישי ועסקי של לקוחות ו/או צדדים שלישיים.				*
* "אירוע סייבר" פירושו:				*
* כל טעות או מחדל או סדרה של טעויות או מחדלים הנוגעים לגישה, עיבוד, שימוש או הפעלה של מערכת מחשב או אי נגישות או כשל חלקי או מוחלט לגישה, עיבוד, שימוש או הפעלה של מערכת מחשב כלשהי.				*
* "מערכת מחשב" פירושה: כל מחשב, תכניות מחשב, חומרה, תוכנה, מערכת תקשורת, מכשיר אלקטרוני (כולל אך לא מוגבל לטלפון חכם, מחשב נייד, טאבלט), שרת, ענן או בקר זעיר כולל כל מערכת דומה או כל תצורה של האמור לעיל וכולל כל קלט, פלט, התקן אחסון נתונים, ציוד רשת או כלי גיבוי.				*
* "נתונים אלקטרוניים" פירושה:				*
* עובדות, מושגים, קוד או כל מידע אחר מכל סוג שהוא, שהומר לצורה שאפשר להשתמש בה לצורך גישה, עיבוד, שידור או אחסון על ידי מחשב או מערכת ממוחשבת.				*

#### השתתפות עצמית

מתגמולי הביטוח אשר יגיעו למבוטח בגין נזקים המכוסים בכל אחד מהפרקים המבוטחים לפי הרשימה ינוכו סכומי ההשתתפות העצמית כדלקמן:  
- מכל נזק שההשתתפות העצמית לגביו אינה מפורטת



5784-00 פיינה אורי ביטוח בע" עותק למבוטח דף-8

ענף: 463 פוליסה: 22/019/063/1245481 תוספת: 1  
שם המבוטח: ג'י קיי 8 בע"מ

תאור הכסוי	השינוי	סכום מעודכן	שער הפרמיה	הפרש פרמיה שנתית
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מטה או שאינה נקובה בפרק המתאים בפוליסה ולמעט פרק 9 - נזקי טבע ינוכו, 2,000 ש"ח.

- מכל נזק המכוסה תחת הרחבה "חפצים אישיים" סך 400 ש"ח.

- מכל נזק המכוסה תחת הרחבה "שבר שלטים, שמות וזכויות" סך 1,000 ש"ח.

- מכל נזק המכוסה לפי פרק חבות המעביד סך 4,000 ש"ח.

- המבוטח ישא בסך השווה ל - 20,000 ש"ח בכל תביעה בגין מחלת מקצוע.

- מכל נזק המכוסה לפי פרק 11 (צד שלישי) סך 4,000 ש"ח.

-מכל נזק לפי פרק אובדן הכנסות 4 ימי עבודה ראשונים.

לפרק 7 משנה א' - מחשבים 1,000 ש"ח.

לפרק משנה א'-מחשב נייד 1,800 ש"ח מכל תביעה.

לפרק 7 משנה ב'-שחזור נתונים 4,000 ש"ח מכל תביעה.

לפרק 7 משנה ג'-הוצאות תפעול נוספות בימי הפעלה מכל תביעה: 10% ממספר ימי הגמולה המירבית המבוקשת.

מוצהר ומוסכם בזה כי הפוליסה אינה מכסה חבות שעילתה תקרות שנבנו בשיטת "פל-קל" במבנה בבעלות המבוטח ו/או בשמו.

מובהר כי:

א. הפוליסה אינה מכסה נזק לכבלים, עמודים (חשמל ו/או טלפון ו/או קווי תקשורת), מעל או מתחת פני הקרקע, אשר נמצאים בריחוק של מעל 500 מטרים מחוץ לתחום החצרים.

ב. הפוליסה אינה מכסה נזק לדרכי גישה, תשתיות, מדרכות, כבישים, גשרים, מנהרות גישה, מעברי מים וצנורות אלא אם הינם חלק מתחום החצרים המבוטחים וכלולים בסכום הביטוח.



דף-9

עותק למבוטח

5784-00 פיינה אורי ביטוח בע"

ענף: 463 פוליסה: 22/019/063/1245481 תוספת: 1

שם המבוטח: ג'י קיי 8 בע"מ

תאור הכסוי	השינוי	סכום מעודכן	שער הפרמיה	הפרש פרמיה שנתית
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\*\*\*\*\* ה ב ר ה \*\*\*\*\*  
מוצהר ומוסכם בזה כי הביטוח על פי פרקי ביטוח הרכוש של פוליסה זו, מכסה אך ורק נזק פיזי לרכוש מוחשי. למניעת ספק נזק פיזי לרכוש מוחשי אינו כולל נזק לתכנה ו/או מידע אלקטרוני. על אף האמור לעיל ובכפוף לכל שאר תנאי הפוליסה וסעיפיה מובהר בזה כי:  
א. נזק לתכנת מדף הנובע מנזק פיזי לחומרה - מכוסה.  
ב. באם הפוליסה כוללת הרחבה לשיחזור מידע, שיחזור מידע עקב נזק לתכנה ומידע אלקטרוני הנובע מהנזק הפיזי לחומרה בה הם אגורים - מכוסה.  
ג. ערך אינפרמטיבי של תכנה ומידע - אינו מכוסה.  
\*\*\*\*\*

מוצהר ומוסכם בזה כי

למען הסר ספק, מודגש בזה כי סכום הביטוח או סכומי הביטוח הנקובים ברשימה של הפוליסה אינם סכומים מוסכמים. סכום הביטוח הנקוב ברשימה הוא הסכום המירבי לחבות השיפוי על ידי המבטח בקרות מקרה הביטוח, וזאת בכפוף לכל תנאי הפוליסה. מבלי לגרוע מאמור בסייגים הכלליים לפוליסה ומהסייגים לחבות המבטח, על המבוטח לוודא ולהקפיד על ביצוע כל הנדרש בפוליסה ו/או ברשימה לגבי התקנתם והפעלתם המלאה של האמצעים, שפורטו בהן, להקלת הסיכונים המבוטחים בפוליסה זו. במקרה בו לא נקט המבוטח באמצעים להקלת הסיכון ו/או לא הפעילם, בהתאם למפורט בפוליסה או ברשימה, יהא המבטח רשאי לבטל את הפוליסה או להקטין את חבותו, הכל בכפוף להוראות החוק, ובמגבלותיו.

גבול גאוגרפי-ישראל

מוצהר ומוסכם בזה כי הפוליסה מכסה מקרה ביטוח שארע בשטח מדינת ישראל והשטחים המוחזקים על ידה (למעט שטחי האוטונומיה), אלא אם צוין אחרת ברשימה.

נוהל ביצוע עבודות בחום

כאמצעי להקלת הסיכון על המבוטח לפעול על פי הנוהל להלן:

תחולת נוהל זה על כל פרקי הפוליסה שבתוקף המונח "עבודות בחום" פירושו: ביצוע עבודות הקמה, בניה, הרכבה, שיפוץ ועבודות אחרות הכרוכות בריתוך ו/או בחיתוך ו/או בשימוש בתהליך או בפעילות מכל סוג ותיאור המבוצעים באמצעות חום או היוצרים חום או ניצוצות בעת ביצועם, בין שאלו מבוצעים על ידי עובדיו של המבוטח ובין אם על ידי קבלנים או עובדיהם.



דף-10

עותק למבוטח

5784-00 פיינה אורי ביטוח בע"

ענף: 463 פוליסה: 22/019/063/1245481 תוספת: 1  
שם המבוטח: ג'י קיי 8 בע"מ

תאור הכסוי	השינוי	סכום מעודכן	שעור הפרמיה	הפרש פרמיה שנתית
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לא יתיר המבוטח לבצע עבודות בחום בחצרים אלא בהתאם למפורט בנוהל זה, ועל המבוטח לנקוט באמצעי זהירות ובטיחות מיוחדים כדלקמן:

1. בעת ביצוע עבודות בחום, ידאג המבוטח להרחקת חומרים דליקים (לרבות ארגזים, שאריות עצים, נייר וקרטון) הניתנים לפינוי מהשטח בו נעשות העבודות בחום למרחק סביר שלא יפחת מ- 10 מטר ממקום ביצוע העבודות וזאת בהתחשב עד כמה שניתן בכיווני רוח רגילים.

2. בעת ביצוע העבודות בחום יהיה לפחות אדם אחד בשטח ביצוע העבודות האלו אשר ישקיף עליהן ואשר תהיה ביכולתו אפשרות חיוג לרשויות כיבוי האש. אדם זה יהיה נוכח במקום זמן סביר לאחר גמר ביצוע העבודות בחום.

3. יובה לידיעת קבלני המשנה הפועלים באתר שיש לדאוג לקיומם של אמצעי כיבוי סבירים בעת ביצוע עבודות בחום ובמקום ביצוען.

4. אם אין למבוטח הידע הדרוש לכך ידאג להעסקת אחראי בטיחות אשר תפקידו יהיה להנחות את מבצע העבודות ולפקח על ביצוען.

#### הערכת הנזק לאחר קרות מקרה הביטוח

בקרות מקרה ביטוח רשאי המבטח להעמיד שמאי מטעמו לצורך בדיקת סיבות הנזק, נסיבותיו והערכת גובה הנזק. במקרה של חילוקי דעות לגבי הערכת גובה הנזק, רשאי המבוטח למנות שמאי מטעמו לצורך הגשת דו"ח שמאות נגדי והמבטח ישקול את עמדתו בשנית, בהתייחס לשומה הנגדית שתימסר לו ע"י המבוטח. עלות שכר הטרחה בגין השמאות הנגדית תחול על המבוטח אלא אם יוסכם אחרת.

\*\*\*\*\*  
\* לידיעתך, \*  
\* מידע מרוכז של כל מוצרי הביטוח שלך בכל חברות הביטוח בישראל \*  
\* ברשות שוק ההון ביטוח וחיסכון קיים אתר אינטרנט מאובטח שמאפשר לך לראות \*  
\* במרוכז את מוצרי הביטוח שלך בכל חברות הביטוח בישראל, וזאת על בסיס נתונים \*  
\* שאנו נעביר אליהם. במידה ואינך מעוניין שנעביר את הנתונים, עליך להודיע \*  
\* לנו על כך באמצעות אתר האינטרנט של החברה בכתובת: FNX.CO.IL באזור האישי, \*  
\* או באמצעות מוקד שירות הלקוחות בטלפון 03-7141000. \*  
\* לידיעתך, אי העברת הנתונים תמנע ממך לראות במרוכז באתר האינטרנט המאובטח \*  
\* את מוצרי הביטוח שלך בכל חברות הביטוח בישראל. \*





5784-00 פיינה אורי ביטוח בע"מ עותק למבוטח דף-11

ענף: 463 פוליסה: 22/019/063/1245481 תוספת: 1  
שם המבוטח: ג'י קיי 8 בע"מ

תאור הכסוי	השינוי	סכום מעודכן	שעור הפרמיה	הפרש פרמיה שנתית
* ככל שניתנה הודעה להסרה כאמור על ידך לחברה בעבר, יש לראות הודעה זו כמבוטלת. *				

#####  
# כל שאר תנאי הפוליסה נשארים ללא שינוי #  
#####

בשם החברה: אלמוג נינה  
הפניקס  
חברה לביטוח בע"מ

תאריך הדפסה: 12/12/2022 (הדפסה חוזרת ב-12/12/2022) זהוי לקוח: n/515881209  
זהוי משני: 5446170

חודש בורדרו: 12/2022 מקיש: 25275 מאשר: 25275 מדד: 13304.77

חכם: נינה אלמוג צוות: צוות שמוליק ברזני אשכול: מרכז

נתוני מזמיני אישור קיום ביטוחי:

שם הסוכן: פיינה אורי ביטוח בע"מ עותק למבוטח

**Exhibit F**

**DECLARATION OF DR. JONATHAN LEVY**

Pursuant to 28 U.S.C. § 1746, I hereby declare as follows:

1. I, Dr. Jonathan Levy, graduated from the University of Cincinnati where I earned a MA (2002) and PhD (2006) in Political Science. Previously, I earned a JD degree and have been a practicing lawyer continuously since 1992 and a member of the California Bar in good standing. I am currently a solicitor consultant with the London law firm of B&M Law LLP specializing in cryptocurrency, whistleblower cases and irregular cross border transactions. I am a member of the Law Society (England & Wales) and hold a practicing certificate. I am also enrolled as a solicitor with the Irish Law Society and admitted to the roll of legal practitioners for the British Virgin Islands, an advocate of the St. Helena Supreme Court and solicitor practicing before the Supreme Court of the British Indian Ocean Territory. As US co-lead counsel I have been involved in complex financial legacy cases such as *Alperin v. Vatican Bank*, *AM Trust v. UBS AG*, and *Taiwan Civil Rights Litigation Organization (TCRLO) v. Kuomintang Business Management Committee (KBMC)*.
2. Since 2006 I have been a faculty member at Norwich University (Vermont), where I am currently employed as a senior adjunct instructor. I instruct in the MA programs and students in Diplomacy, International Relations and Criminal Justice including courses in Responses to Transnational Terrorism. I am an adjunct professor at Southern New Hampshire University instructing at the graduate and undergraduate levels. I previously instructed legal studies and public administration for Kaplan University. I am a founding research fellow at the Institute for National and International Security in Belgrade, Serbia and a distinguished professor at Megatrend University.

3. Since 2017, I have represented clients in matters involving cryptocurrency and since 2018 exclusively victims of cryptocurrency scams, hacks, and consumer claims. I am currently involved in Irish litigation against the owner of ccTLD .io, I am worldwide restitution counsel for whistleblowers and victims of the infamous OneCoin Ponzi scheme and have proposed the creation of an industry funded cryptocurrency victim superfund to the European Union. I also am representing some of the Celsius Network creditors in claims involving third party fraud. This declaration was prepared to assist in the third party fraud claims but has been provided to Celsius Network creditors as the information and expert opinion herein is relevant to their claims.

4. In the course of my investigation of third party fraud by insurers, I became aware of at least three cryptocurrency insurance policies associated with the debtors Celsius Network LLC and GK8 Ltd totaling at least \$1.55 billion in face value as of December 9, 2022.

5. One of the main selling points of Celsius Network was that assets carried or would carry some sort of insurance. The attached document (Exhibit One) is a true and correct copy of information obtained from <https://allaboutcelsius.com/celsius-self-insurance-plan/> which I believe was content generated by Celsius Network and since deleted.

6. In Exhibit One it is explained that Celsius' custodian, Fireblocks LLC, carries insurance but that this insurance does not apply to Celsius deposits. In a teleconference with Fireblocks LLC, Chief of Compliance, Jason Allegrante, on August 11, 2022, Mr. Allegrante confirmed that Fireblocks LLC had insurance but declined to name the insurer. Mr. Allegrante however disputed that Fireblocks LLC was the custodian for Celsius Network or that Fireblocks LLC insured Celsius Network. While I cannot confirm the amount of the policy based on public statements by Alex Mashinsky and Nuke Goldstein, the Fireblocks LLC insurance is no more

than \$30 million. See: <https://www.youtube.com/watch?v=x-X0xmzO8Vg&t=45s> [retrieved July 3, 2022]

Mr. Allegrante's statement however conflicts with previous statements attributed Mr. Mashinsky *infra* which are consistent with the YouTube video *supra* regarding its status of custodian:

*Fireblocks, our custodian, provides insurance on digital assets held by Celsius.*

*However, we generate interest rewards by deploying assets. When these assets are out of Celsius's control, they can't be insured by such insurance.*

*To ensure coin loans are always returned to Celsius, we require borrowers to post collateral of up to 150% (which means that the borrower gives Celsius an alternative asset as collateral for the asset they are borrowing) or we conduct thorough due diligence reviews of borrower's financials and repayment ability.*

<https://support.celsius.network/hc/en-us/articles/360002174718-Does-Celsius-have-an-insurance-policy-> [retrieved July 3, 2022]

7. The debtor GK8 Ltd. (Israel) is 100% owned by the debtor Celsius Network Ltd (UK). The foreign companies GK8 Ltd. and Celsius Network Ltd, have concealed vital information from the Court and creditors involving an insurance policy and insurance relationship between GK8 Ltd and the insurer Aon plc (Ireland) and Lloyds Underwriter Syndicate No. 2012 AAL which is unique in the cryptocurrency industry and therefore extremely valuable. Additionally, sometime after December 9, 2022, a \$1 billion policy was obtained from USI Insurance Services in New York which either superseded or is in addition to the Aon plc and Lloyds Underwriter Syndicate No. 2012 AAL policies and relationships.

8. GK8 Ltd. in its disclosure of insurance assets filed with this Court in Case no. 22-10964-MG (Doc 1655 Filed 12/09/22), at Exhibit 3, GK8 Ltd. Insurance Policy, there is an insurance policy

listed entitled E&O Insurance, Lloyds Underwriter Syndicate No. 2012 AAL and a policy number is provided:

22-10964-mg Doc 1655 Filed 12/09/22 Entered 12/09/22 14:59:02 Main Document  
Pg 14 of 16

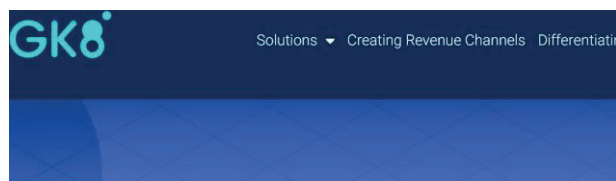
Type of Coverage	Insurance Carrier(s)	Policy Number	Policy Term
E&O Insurance	Lloyd's Underwriter Syndicate No. 2012 AAL	CRM2200000001-000	8/1/2022 - 8/1/2023

Lloyds Syndicate 2012 (AAL) is managed by Arch Managing Agency Limited and regulated by the UK Financial Services Authority.

9. GK8 Ltd. on its website GK8.io publicly held out to its customers that it provided to them \$500 million in insurance and prominently displays a distinctive umbrella logo in doing so:



On or about June 9, 2020, Aon plc and GK8 Ltd entered into a partnership agreement to ensure the GK8 Ltd. “cold wallet” for \$500 million, this policy was in effect until very recently. See <https://web.archive.org/web/20221209013500/https://www.gk8.io/> [December 9, 2022]



#### **AON'S PARTNERSHIP WITH GK8 PROVIDES INSURABLE DIGITAL-ASSET STORAGE TECH**

News June 9, 2020

[www.gk8.io/aons-partnership-with-gk8-provides-insurable-digital-asset-storage-tech/](https://www.gk8.io/aons-partnership-with-gk8-provides-insurable-digital-asset-storage-tech/)

*The product provided by GK8, a high-security custody solution for safeguarding and managing digital assets, is now insurable via Aon UK Ltd utilising insurance provided by a panel of insurers led by Arch Underwriting at Lloyd's Syndicate 2012, which is part of the Lloyd's insurance market.*

*GK8 clients can activate the insurance policy to protect their assets under custody at a coverage cap of potentially USD500 million. The company's custodian technology is already operational and helps to securely manage digital assets for world renowned companies like eToro.*

*<https://www.hedgeweek.com/2020/06/09/286342/aons-partnership-gk8-provides-insurable-digital-asset-storage-tech>*

10. The \$500 million digital asset insurance obtained through Aon plc was “pooled insurance.” By contrast a much larger custodial type of company, Fireblocks LLC, could manage only perhaps \$30 million. The \$500 million dollar Aon plc policy therefore is a unique and valuable asset to the creditors.

11. Despite not updating their website on a timely basis, on or about November 28, 2022 GK8 obtained \$1.125 billion in insurance through USI Insurance Services. This policy provided \$1 billion in pooled insurance and \$125 in non-pooled vault insurance to GK8 customers. See: <https://www.gk8.io/pr-gk8-first-to-provide-institutions-access-to-1b-insurance/>. It is unknown how this relates to the Lloyds 2012 Syndicate insurance. The umbrella logo however continues in use by GK8.



(Retrieved from GK8.io on December 23, 2022.)

12. An additional agreement was entered into by GK8 Ltd. and Aon PLC that provided GK8 Ltd. the right to offer additional non pooled insurance of up to \$750 million exclusively to GK8 vault customers.

We've got you covered  
Offering the highest  
available coverage on  
digital assets



Through our arrangement with  
AON, GK8 customers can  
quickly and seamlessly access  
coverage of up to  
\$750,000,000 per vault (NOT  
pooled insurance!).

Service provided exclusively to  
GK8 customers by Aon UK.

**Aon**

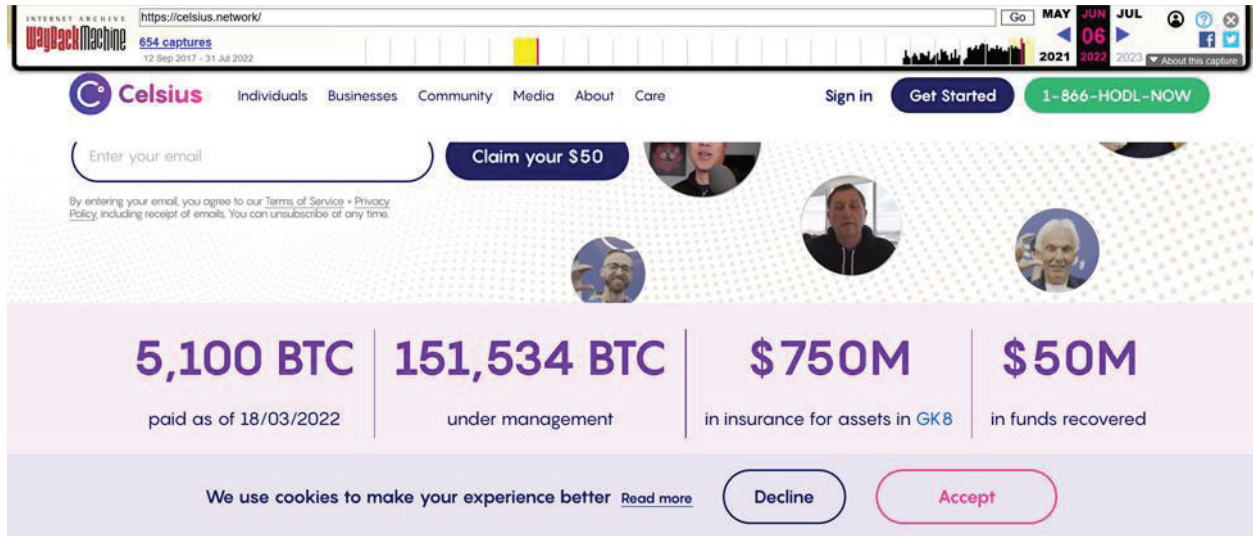
page 12



(Exhibit Two - GK8 Sales deck by Lior Lamesh CEO, page 12)

13. Between approximately June 5, 2022 and July 8, 2022 Celsius Network held out to its investors and potential investors including the creditors the existence of \$750 million in insurance through GK8 which is reasonably believed to be the non-pooled \$750 million insurance policy offered by Aon PLC exclusively to GK8 customers, in addition to the \$500 million pooled Lloyds policy through GK8 itself that covered all GK8 Ltd. customers. The strange timing of this representation was to ensnare new customers into the failing enterprise and reassure and calm depositors (creditors) that their deposits were safe and to prevent “a run on the bank.”





*Celsius website as of June 6, 2022 web.archive.org/web/20220606133917/https://celsius.network*

On June 12, 2022, Celsius froze all investor accounts and on July 13, 2022 Celsius filed for a bankruptcy reorganization, a month after the account freeze.

14. Celsius CEO Mashinsky in his sworn declaration of July 14, 2022 to this Court provided the impression that GK8 had no relationship to the Celsius Network deposits or operations:

86. While Celsius has not been able to integrate GK8's operations post-acquisition given Celsius' focus on its own liquidity position, GK8 is a valuable asset in light of an industry-wide migration to self-custody post the "cryptopocalypse." The Company is exploring both a marketing and sale process of the GK8 business and a complete integration and utilization of the GK8 business into Celsius' own platform.

15. Only customers of GK8 could purchase the \$750 million Aon plc non pooled vault policy as well as enjoy the \$500 million in pooled Lloyds insurance. CEO Mashinsky provided in his sworn statement the distinct impression of the nonexistence of any vendor or customer relationship between GK8 and Celsius Network.



16. I sought clarification of Aon plc's relationship to both Celsius Network Ltd. and GK8 from Aon PLC's Compliance Section. On August 19, 2022, Aon plc Compliance replied:

*Dear Dr Levy*

*Thank you for your emails of 15 and 17 August. As you will appreciate, Aon does not normally share details about its clients and counterparties given that such information is commercially sensitive and potentially subject to confidentiality obligations.*

*We can confirm, however, that Aon does not currently have any formal arrangements or agreements with Celsius Network.*

*Best regards*

After a follow up request for further information and its plan of action, Aon replied again on August 25, 2022 as follows:

*Dear Dr Levy:*

*Thank you for your further email.*

*We have already confirmed Aon's position regarding Celsius Network. We are unable to provide you with any further information and have no obligation to do so.*

*Best regards*

Aon plc refused to confirm or deny its very public relationship with GK8 Ltd. which included GK8's use of the actual Aon PLC logo in its promotional materials (Exhibit Two) and while Aon plc claims that as of August 19, 2022 that it currently has no "formal arrangement or agreements with Celsius," Aon plc did not however address if insurance existed between June 5, 2022 and July 8, 2022 or any other time prior to August 19, 2022.

17. While Aon plc conditionally denied a relationship with Celsius Network, Celsius Network in an October 5, 2022 filing with this Court entitled “GLOBAL NOTES AND STATEMENT OF LIMITATIONS, METHODOLOGY AND DISCLAIMERS REGARDING THE DEBTORS’ SCHEDULES OF ASSETS AND LIABILITIES AND STATEMENTS OF FINANCIAL AFFAIRS” (22-10966-mg Doc 7 Filed 10/05/22) reveals a relationship of some sort exists with Aon plc subsidiaries at 77 of 321:

2.120	<p>State what the contract or lease is for and the nature of the debtor's interest</p> <p>State the term remaining</p> <p>List the contract number of any government contract</p>	<p>MUTUAL NONDISCLOSURE AGREEMENT -- EFFECTIVE DATE: 11/17/2021</p>	<p>AON RISK INSURANCE SERVICES WEST, INC. 707 WILSHIRE BOULEVARD LOS ANGELES, CA 90017</p>
2.121	<p>State what the contract or lease is for and the nature of the debtor's interest</p> <p>State the term remaining</p>	<p>MUTUAL NONDISCLOSURE AGREEMENT -- EFFECTIVE DATE: 02/28/2022</p>	<p>AON RISK SERVICES NORTHEAST, INC. 165 BROADWAY SUITE 3201 ONE LIBERTY PLAZA NEW YORK, NY 10006</p>

18. I provided notice of the third party insurance and fraud claims to the prospective purchaser of GK8 LTD, Galaxy Investment Partners LLC, by US Priority Mail letter 9405 5036 9930 0422 9521 84 which was received at their New York office on December 15, 2022.

19. The conclusions that may be drawn are:

- a. The debtors have not fully disclosed meaningful information about the Lloyds Underwriter Syndicate No. 2012 AAL policy believed be pooled insurance with a face value of \$500 million;
- b. The debtors have not disclosed meaningful information about the non-pooled insurance of \$750 million that was available through Aon plc until November 28, 2022 and which Celsius Network touted as its digital asset insurance just prior to its Chapter 11 filing;
- c. The debtors have not provided information about the \$1.125 billion insurance policies obtained through USI Insurance Services on November 28, 2022;

d. The debtors have not explained how Celsius Network obtained \$750 million in insurance just prior to filing for Chapter 11 relief and what became of the insurance.

e. The denials of Aon plc compliance need to be reconciled with the claim of \$750 million in insurance by Celsius through GK8 and NDAs signed with Aon subsidiaries.

f. The existence of GK8 derived insurance for Celsius Network needs to be reconciled with the statements of the Celsius Network CEO and the December 7, 2022 Debtor Motion on the Sale of GK8 (22-10964-mg Doc 1626 Filed 12/07/22) in which the debtor states at ¶1:

“Celsius intended to integrate GK8 into its platform to enhance Celsius’ ability to provide consumers with custody services by April 2022. In light of its own liquidity position, however, Celsius was not able to integrate GK8’s operations into its platform.”

g. The failure of the debtors to incorporate the November 28, 2022 change of insurance from Aon plc to USI Insurance Services and the resulting policy face value changes in the December 7, 2022 motion on the sale of GK8 was a material omission of vital information.

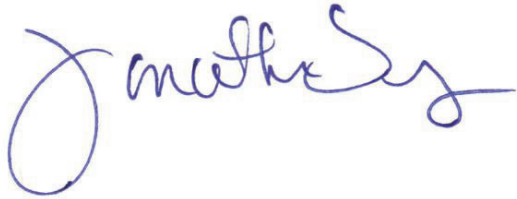
20. I recommend that an expert insurance examiner should be retained to verify the existence of the policies mentioned herein, examine them and to determine whether wrongful conduct of some sort has occurred by GK8, Celsius Network and third parties which resulted in concealment of material facts from creditors and deceived the public between June 5, 2022 and July 8, 2022 when Celsius Network held out to its investors and potential investors including the creditors the existence of \$750 million in asset insurance. The sale of GK8 should not be consummated until these issues are resolved to the Court’s satisfaction.

21. The following attached exhibits are true and correct copies of the originals:

- a. The Celsius Network Self Insurance Plan (Exhibit One)
- b. GK8 Promotion Materials including page 12 cited herein (Exhibit Two)

I, Jonathan Levy, declare under penalty of perjury that the foregoing is true and correct.

Executed on 12/23/2022 at Bluffton, South Carolina.

A handwritten signature in blue ink, appearing to read "Jonathan Levy". The signature is fluid and cursive, with a large initial "J" and a stylized "L".

# Celsius Network Self-Insurance Plan

“Would you consider crypto insurance that covers assets loaned to institutions and exchanges? It’s coming to Celsius Network!”

One of the most exciting announcements by Celsius Network this year is the upcoming launch of a self-insurance plan. It’s crypto insurance for counter-party risk. Many Celsius users often ask: *but aren’t my deposits and assets covered by insurance? Doesn’t Celsius Network provide an asset insurance policy?* The simple answer is both yes and no. Let’s explain...

## Fireblocks Insurance Plan

 **Fireblocks**

\$1 TRILLION IN DIGITAL ASSETS SECURELY TRANSFERRED

Build, run and scale a  
profitable digital asset  
business.

Fireblocks is the current custodian for Celsius Network (it used to be BitGo). A crypto custody company is essentially a 3rd party provider of storage and security services for cryptocurrency assets. Their services are mainly aimed at institutional investors, such as large crypto companies and hedge funds, who hold large amounts of bitcoin or other crypto assets. However, Fireblocks does NOT insure against Celsius’ counter-party risk.

Fireblocks provides insurance on digital assets held by Celsius in cold storage and hardware wallets only. However, any asset generating yield and income for Celsius are deployed from these cold wallets, and therefore are NOT covered by Fireblocks' insurance policy.

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### Celsius Insurance Policy

Unfortunately, Celsius does not provide an insurance policy for users' assets other than those that are kept in cold storage through their custodian, Fireblocks. This represents a small fraction of the total assets under management (AUM). There is no insurance for crypto counter-party risk.

Since Celsius Network generates yield and income by deploying assets to lending programs, DeFi and other income generating sources, those assets that are deployed are NOT insured.

Essentially, when assets are deployed, they are not in control by Celsius. Therefore, they can't be insured by Fireblocks. This is called "counter-party risk".

In order to mitigate risk for both the company as well as the users, Celsius requires borrowers to post collateral of up to 150% in most cases. What this means is that a borrower borrowing from Celsius will need to give the company an alternative asset as collateral for the asset they are borrowing. On all occasions and for loan approvals, Celsius will do an incredible amount of due diligence into the borrower's financial wellbeing as well as ability to repay the loan. However, assets that are lent out are not currently insured. Currently, there is no crypto counter-party insurance with Celsius Network.

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### Upcoming Celsius Self-Insurance Plan

Here comes the exciting part! Celsius is launching a crypto self-insurance plan for its users to protect against counter-party risks. What this means is that users will eventually have the ability to opt-in or opt-out of a crypto self-insurance plan that will insure their cryptocurrency assets that are not insured by Fireblocks (assets that are stored in cold wallets). So think assets (counter-party) that are lent out to DeFi platforms, lending protocols, farming etc. They can all be insured using

22-10964-mg

Doc 1826

Filed 01/04/23

Entered 01/05/23 09:58:50

Main Document

the new Celsius self-insurance policy, which is an absolute game-changer!

The estimated launch for this Celsius counter-party risk insurance plan is for Q4 2021 to Q1 2022.



“You asked for it and we listened. We will be launching a self-insurance plan for all Celsius users that will cover all your coins, it will take us a few months but it will insure coins lent out to institutions and exchanges. No one else has such insurance today.”

As Alex Mashinsky (CEO, Celsius) noted in his above tweet, the Celsius self-insurance plan is truly unique. No other company or platform or exchange offers such insurance policies to protect users’ counter-party risk. Obviously, this new self-insurance plan is a risk management tool whereby both Celsius and Celsiusians can opt to insure part or their entire asset portfolio from unforeseeable hacks or losses.

In addition, users can opt against third-party insurance firms like Nexus Mutual where the premiums can sometimes exceed expected losses (they are not cheap and usually not worth it!). These 3rd party insurance products also protect against crypto counter party risk, but they are seen as too new, unestablished and expensive for the current market place.

The Celsius self-insurance program will need to set aside a certain pool of funds. These funds will be topped up by Celsius itself, as well as users who opt-in to the program. It is yet to be determined how much this will cost the individual user, but there have been talks that a certain % of weekly rewards will be paid into the self-insurance pool (as weekly rewards are almost directly related to a users’ total portfolio value).

Alex Mashinsky noted on a previous AMA that users who opt into the crypto counter-party risk insurance will pay approximately 0.5 to 1.0% of their weekly rewards that will be accumulated in the insurance pool. It will likely be around 0.5% (rather than 1.0%).

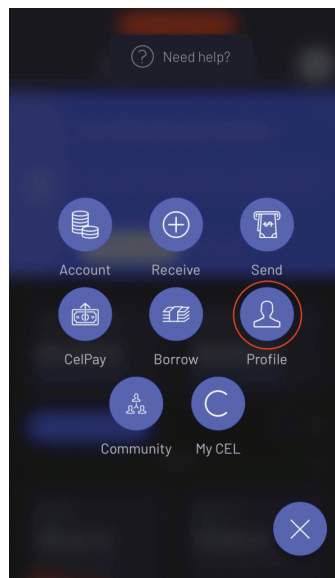
In addition, the total assets within the Celsius insurance pool will be published. All Celsiusians will be able to see and reference exactly how much insurance there is. Celsius will be fully transparent about the insurance pool totals.

The Celsius insurance pool will be used for emergencies such as hacks and loss of assets. This ‘rainy day fund’ will cover unexpected losses that could affect the assets of Celsiusians.

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### How do you Opt-In for Self-Insurance (and Opt-Out)?

As soon as a self-insurance product was on its way, Celsius updated their mobile app to allow users to opt-in and opt-out of this program. By default, you are opted-out. You can switch between opting in and out at any time (as we’re sure many Celsiusians may change their mind once more information and details come out).



Here are the steps to opt-in and out of the upcoming Celsius self-insurance plan. Please note that you can only do so on your mobile app (not available on desktop):

1. Navigate to the main menu (Celsius logo on bottom right corner) and click on ‘Profile’
2. Select ‘Insurance’ (the bar that has the umbrella for ‘rainy day fund’)
3. Select either ‘Opt-in’ or ‘Opt-out’ (orange button at the bottom)

The Self-Insurance screen on the mobile app reads as follows:

“We are building a self-insurance feature to protect you from



counter party risk. Opt-in might be added to the waitlist and get exclusive updates and other news about this feature. We will contact you again at the launch of this feature to formally opt-in to receive insurance protection.”

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## Self-Insurance Plan Questions for Celsius

Even with some information leaked, the community still has many questions:

1. How much will it cost an individual user to insure their assets?
2. How will this opt-in self-insurance policy cost be charged (ie. from weekly rewards, one-time fee, monthly payment etc.?)
3. What % of a users’ portfolio needs self-insurance (ie. how much is currently held in cold storage and insured by Fireblocks?)
4. What type of losses will be insured by the Celsius self-insurance policy?
5. Will the self-insurance plan be available to all users in all locations/jurisdictions?
6. Will the new Celsius insurance product be available to all supported assets or just some or a few?
7. Can a user opt-in for only assets of their choosing? Or is the self-insurance product all or none?
8. Will more loan options with higher loan-to-value (LTV) be launched?
9. What will happen to those who opt-out of this self-insurance plan?
10. Will opting-out affect a users’ reward rates on their crypto assets?
11. Will higher Loyalty Levels get a discount in the Celsius self-insurance policy payments? For example, will Platinum Level users get a 25% discount on payments much like loan interest APR?
12. Can users pay the self-insurance plan costs in CEL tokens (for a discount) or in any asset that they choose?
13. What does this mean about Celsius’ security measures for lending in the future? Will they continue to do their due diligence?
14. Why provide a crypto insurance plan if Celsius is so adamant that security is their top priority? Is the team not confident in their own abilities?
15. When is the product launching?

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## REWARDS &amp; RATES

DONATE

DOWNLOAD & EARN

JOIN CELSIUS and Get \$110 FREE

Bitcoin

CelsiusX by Celsius Network

Reward Rates (APY)

Reward Rates (APR)

Reward Rates for US Users (APY & APR)

APR versus APY

In-Kind versus In-CEL

Deep Dive into Earning In-Kind versus In-CEL

Promo Codes

Changes in Reward Rates

Total Yield History & HODL % Per Asset

80% Revenue Goes Back to the Community in the form of Rewards

Top 10 Celsius Lists

Liquid Earn

Current Prices

Become a Celsius Ambassador

## TOOLS &amp; TIPS

In-Kind Rewards Calculator

In-CEL Rewards Calculator

CEL Ratio Calculators

Loan Margin Call & Liquidation Calculators

Financial Freedom Calculator

Passive Income Calculator

Who Wants To Be A Celsiusaire?

Who Wants To Be a Crypto Millionaire?

Get a Loan to Earn Higher Rewards

Get a Loan to Earn Higher Rewards (In-CEL Calculator)

Coin Converter

Tips for Beginners

How to Calculate Weekly Rewards

How To Choose Between In-Kind vs In-CEL Rewards

How to Apply for a Crypto Loan

How To Use Crypto Loans for Leverage

How to Manually Close a Loan on Celsius

Celsius Loan Margin Calls & Liquidation Prices

Reverse Margin Calls on Celsius Loans

What % Drop in Asset Price or LTV Triggers a Margin Call or Liquidation?

Book a Loan Support Appointment

How to Add Promo Codes & Promo Code Status

Can I Make A Withdrawal Without Canceling a Promo Code?

Balance Snapshot & Cumulative Sum

Cheat Sheet

Using Multiple Celsius Promos & Referral Code

Can I Stack Promo Codes?

What Order Should I Enter Promo Codes?

Common Promo Code Questions

Why Is My Reward Payout  
Different?  
How Weekly Compound Interest Can  
Give You Financial Freedom  
How to Maintain Loyalty Tiers  
CEL Token Utility  
Celsius Self-Insurance Policy  
Whitelisting Withdrawal Addresses  
Celsius Wallet Security 101  
How to Turn HODL Mode On and Off  
Why can't I get a 1% loan to earn  
8.88% yield?  
Native Blockchains for Deposits  
Debt Consolidation Using Crypto-  
Backed Loans  
Your Celsius Stories & 21 Million  
Satoshi Giveaway Promotion

## FAQS

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What's Coming Soon?  
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Celsius In-App Swaps  
Sign-Up for Celsius In-App Swaps  
0% APR California Loans  
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5 Types of Assets

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Protecting Your Crypto from

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Crypto vs Paper Assets

Crypto vs Real Estate

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Join Celsius and Get \$110 FREE

Bitcoin in 6 Easy Steps



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#### Articles in this section

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## Does Celsius have an insurance policy?

5 months ago · Updated

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Celsius does not have an insurance policy.

Fireblocks, our custodian, provides insurance on digital assets held by Celsius.

However, we generate interest rewards by deploying assets. When these assets are out of Celsius's control, they can't be insured by such insurance.

To ensure coin loans are always returned to Celsius, we require borrowers to post collateral of up to 150% (which means that the borrower gives Celsius an alternative asset as collateral for the asset they are borrowing) or we conduct thorough due diligence reviews of borrower's financials and repayment ability.

Please review our [Terms of Use](#) for more details.

You can also watch the video below about "**what goes into protecting your assets**":

### What goes into protecting Assets? - CEL Bites



Was this article helpful?

[Yes](#)

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172 out of 341 found this helpful

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[What is covered by Celsius' Wallet's Insurance for user funds deposited with Celsius?](#)



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*Some of Celsius' products and services are presently unavailable and, therefore, some content on this page may not be up to date at this time.*

*For further information, please contact our Customer Care team at **1-866-463-5669** or [support@celsius.network](mailto:support@celsius.network).*

 [Powered by Zendesk](#)



# A Secure End-to-end Solution For Managing Blockchain-Based Assets

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GK8



# Company Profile

**GK8 founders** are veterans of Israel's elite cyber-security units, protecting the nation's strategic assets from state level hackers.

## Lead investors



**Lior Lamesh**  
Co-founder & CEO



**Shahar Shamai**  
Co-founder & CTO



**IN Venture**  
**Sumitomo Corporation**  
Venture Arm



**Marius Nacht**  
Co-founder, Former Chairman  
of Checkpoint



**Discount Bank**  
#3 Largest Bank in Israel



**Prof. Eran Trumer**  
Columbia University,  
Founder of Zcash





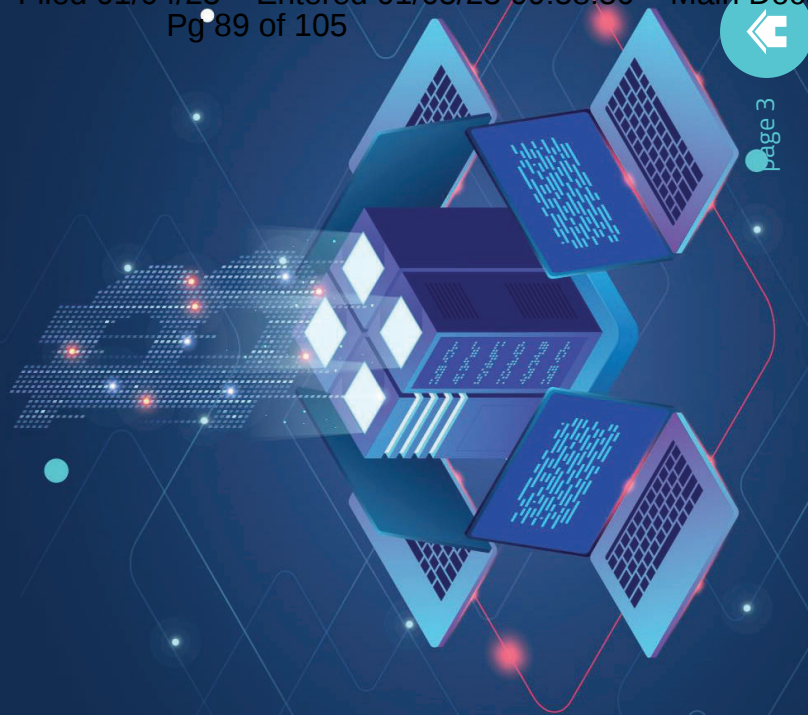
# What we do

We provide a secure, self-managed end-to-end platform, enables financial institutions to expand their services to include blockchain-based digital assets.

Offering a self-managed digital assets custody and wallets management solution with the highest insurance in the market.



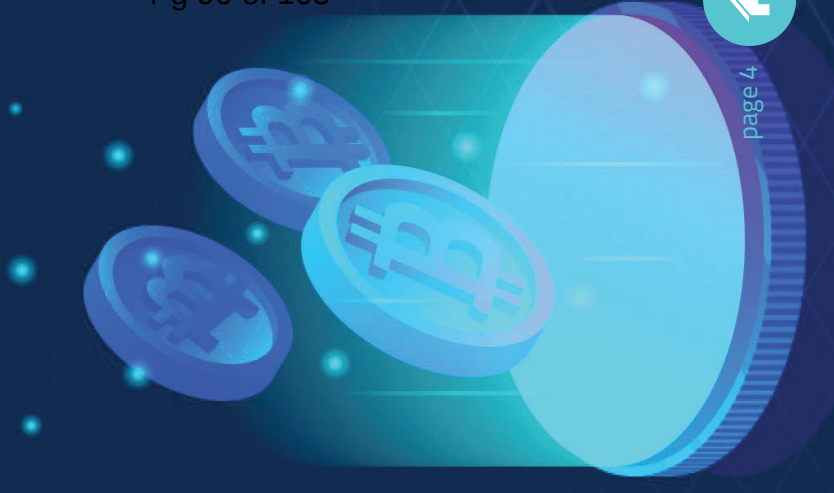
Granted by EY in July 2020



## How we do it


We developed a patented platform that utilizes the only TRUE air-gapped Cold Vault which is never connected to the internet.

As a 100% offline solution, it eliminates any potential cyber attack vectors on your customers' private keys.



# Out-of-the-box, enterprise grade solution GK8 customers trust

## our platform with over \$60 Billion in digital assets. Here's a sample



**Core activity:** Social Trading platform and Crypto exchange

**Main Markets served:** Global


**Why they chose GK8:**  
GK8's cold vault is the ONLY solution in the market that enables to create, sign and send blockchain transactions while being 100% offline, hence eliminating any potential attack vectors. Today, eToro's 13 Million users are securely trading digital assets with the protection of the ultimate cyber-security solution that keeps transactions safe and hackers away.

**PROSEGUR**

**Core activity:** Traditional custodian bank

**Main Markets served:** Europe & Latin America

**Why they chose GK8:**  
With €440 Billion AUM, and €4.2 Billion in annual revenues, Prosegur wanted to leverage its clout and enter the blockchain. Since it had limited knowledge in safeguarding digital assets, the bank chose GK8 to provide an end-to-end solution with a cold vault with 100% cyber protection, an MPC for high-frequency transactions, and a simple customer app for managing digital assets.



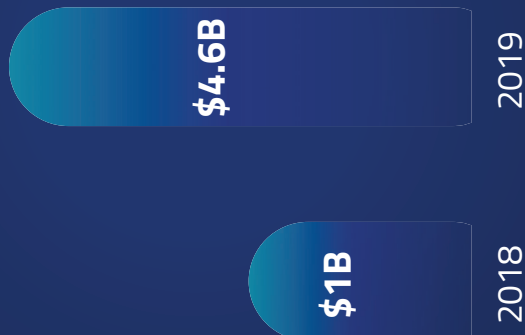
**Core activity:** Publicly traded Crypto exchange

**Main Markets served:** U.S.

**Why they chose GK8:**  
On top of providing 100% cyber protection, GK8 supports INX's security token with its asset-agnostic platform that supports all types of digital assets, as well as signing algorithms used in both public and permissioned blockchains.



## The Problem: Cybertheft of Digital Assets

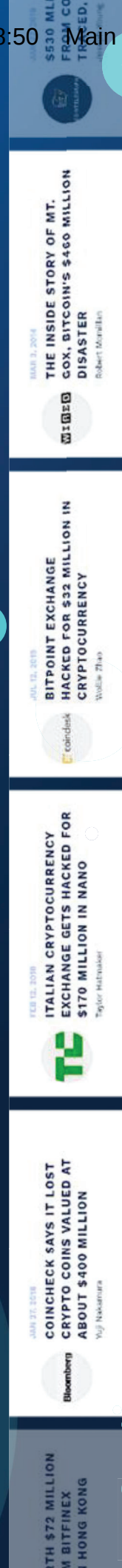
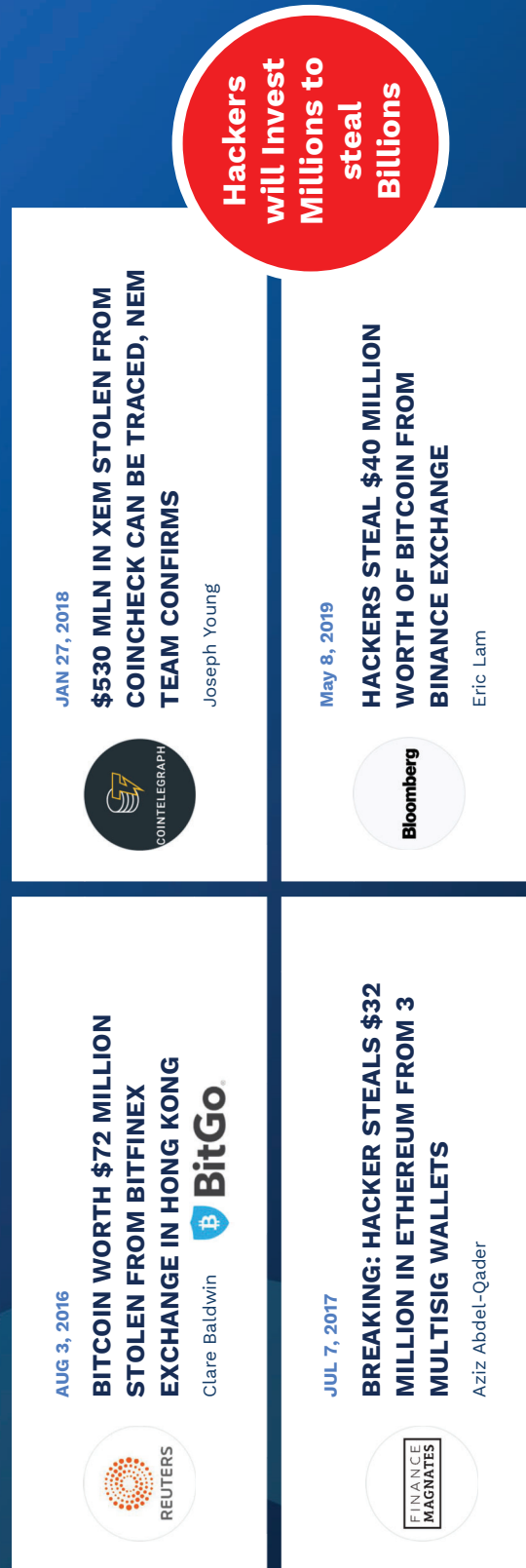


\$3T in Cyberthefts in 2019

the Cybercrime Epidemic  
Will Cost the World

by **2022**  
**\$6 TRILLION** Annually

# Blockchain technology: New threats in an immutable data structure.

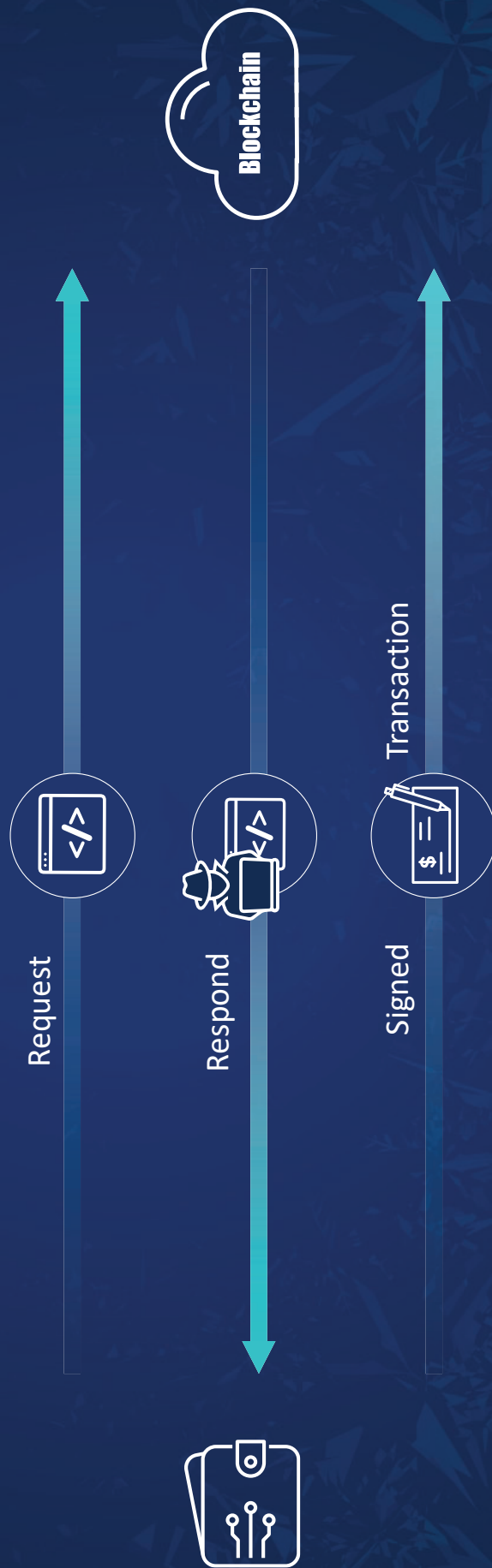






## Core Tech Challenge

1. Interactive and Bidirectional Blockchain Protocols
2. Irreversible Transactions





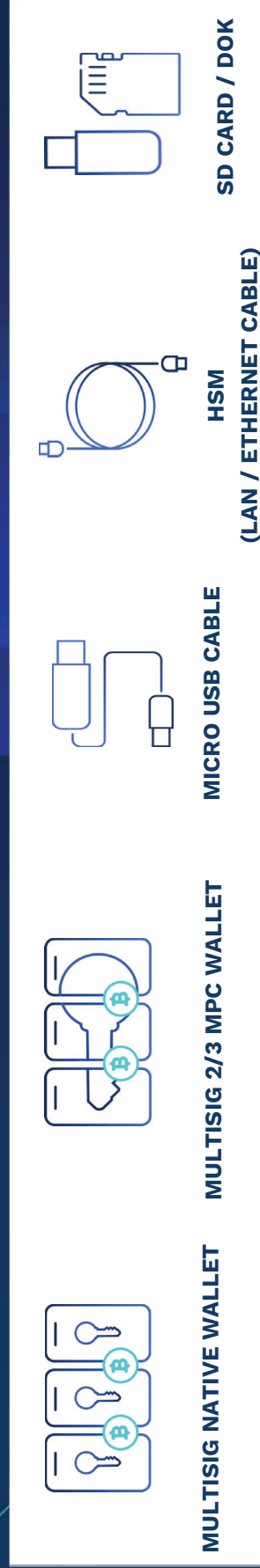
# HOW TO HACK A CRYPTO WALLET?

**COLD & HOT WALLET ARE ALWAYS VULNERABLE**

## Blockchain Protocols Are Interactive



## Private Keys Have Online Exposure While Sending Transaction

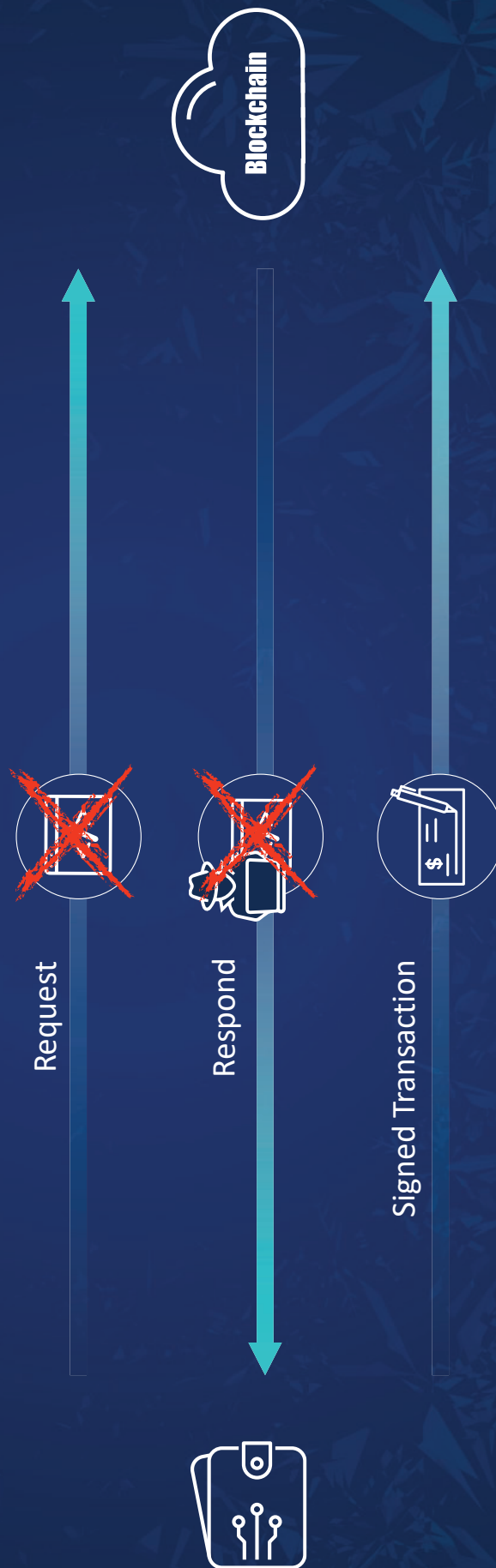


**Hackers Will Invest Millions to Steal Billions**



## GK8 Solution

**First:** Outbound Unidirectional Approach (Patented)  
**Second:** Building Cryptography Protocols Around It





## Our



We've got you covered  
Offering the highest  
available coverage on  
digital assets



GK8

Through our arrangement with  
AON, GK8 customers can  
quickly and seamlessly access  
coverage of up to  
\$750,000,000 per vault (NOT  
pooled insurance!).

Service provided exclusively to  
GK8 customers by Aon UK.

**AON**





# Our solution complies with the Most Stringent Regulations

Designed to meet OCC and global requirements



- The platform was designed in accordance with crypto regulations on IT, Security, Control and Compliance
- Meeting/exceeding global requirements, including: OCC (U.S.), Bafin (Germany)
- Fully customizable account limits, segregations and whitelists
- The platform is fully compatible with 3rd party AML and KYC solutions
- Partnership with EY to provide Crypto balance attestation on digital assets
- GK8 is Soc2Type2 Compliant by EY

## We're 100% asset-agnostic

Our platform serves as the building block for ANY asset over public & private Blockchain



All types of  
cryptocurrency



Security tokens



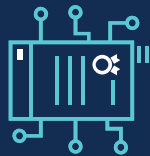
Real Estate tokens



Gold & precious  
metals tokens



Utility tokens



Smart Contract  
support



# Creating new revenue channels: Crypto (public Blockchain)



## Crypto Prime Brokerage

- Launch an entirely new line of business
- Facilitate institutional crypto trading
- Prime brokerage fees (on top of custody, staking, DeFi, etc.)

## DeFi

- DeFi fees from Borrowing & Lending
- Attract new customers currently being serviced by Crypto exchanges

## Staking

- Staking fees
- New direct investment channel
- Acquire market share from crypto exchanges

## Crypto Custody

- Custody fees
- Transaction fees
- Attract new customers

GK8

# Creating new revenue channels: Tokens (Enterprise Blockchain)



## **Bonds Exchange**

- Expanding access to new investors
- Streamlining operations, reducing costs

## **Securities Exchange**

- Issuing IPOs over the Blockchain, expanding access to new investors
- Streamlining operations, reducing costs

## **Payments Token**

- Launch an entirely new line of business
- Facilitate institutional trading
- Prime brokerage

## **Tokenization of Physical Assets**

- Expanding services to new investors
- Improving margins by reducing incurred fees
- Effective ways of injecting liquidity
- Enabling CBDC projects

**Crypto Custody**





Cold Vault's  
Blockchain  
Address



Validator's  
Blockchain  
Address



New blocks  
added to the  
network

The Cold Vault user is able to "delegate" funds from the Cold Vault blockchain address to the Validator's address on the blockchain.

The private keys of the Cold Vault never leave the Vault during the process and are stored safely offline.

The delegated funds must remain stored offline at all times and never sent to another blockchain address (making them effectively "locked").

The Validator starts using the staked funds to validate new blocks and in return, receives the rewards back from the network, to the address of the Cold Vault the blockchain.

A Cold Vault user is able to cancel the stake at any time and the funds and rewards will become unlocked and ready to use for any other purpose.

[WWW.GK8.IO](http://WWW.GK8.IO)





Until we met GK8, we didn't find any real cold solution: all solutions were connected by drivers, power or devices. A persistent hacker will overcome your process and steal your private keys. **This is the first time we were introduced to a real cold environment that's not connected to the internet, which the attacker can't reach.**



eToro Global Chief Information  
Security officer (CISO)





# Thank You!

May Michelson – Director of Global Sales  
e-mail: [may@gk8.io](mailto:may@gk8.io)

